the bleck age

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# U.S. Politicians Eve VAT as New Revenue Source

By Art Pine

WASHINGTON, Dec. 10 (WP) - When Americans yearn for new. fashions, they turn most frequently to Europe. The Paris gown, Dutch cheese, the Swedish station-wagon — all provide a feeling of chic that products made in Oshkosh just cannot seem to match.

So, it is no great surprise that in searching for a new tax system, leaders here should be eyeing the European value-added tax, a nifty little revenue-producer that has been used widely on the Continent

Like many of today's flashy European imports, the VAT - as it is known among taxophiles — seems for some Americans to have far more flair than its domestic tax counterparts, and likely to get better

The question is, first, whether the value-added tax is suitable for America's larger, more complex economy, and - second - whether it

What the value-added tax is, in essence, is a form of national sales the cone is tax, in which the government levies a tax at each stage of the manufac-

Viller 1924. Just as in the case of a sales tax, the brunt of a value-added tax is in all Anath paid nhimately by the consumer. But it is listed separately only Miller and through the wholesole level. At retail, it is hidden from the customer

When the as part of the price.

When the as part of the price.

The U.S. flirtation with VAT began in the early 1970s, when the silver disc. The U.S. flirtation briefly considered the measure as part of a broader plan to spur exports. But the bid ran into stiff opposition from broader plan to spur exports. But the bid ran into stiff opposition from the plan to spur exports. But the bid ran into stiff opposition from the plan to spur exports.

However, the issue was revived last week by Sen. Russell Long, D-La., chairman of the Senate Finance Committee, who proposed using which some say has

in landon as become too big.

It druck as: Sen, Long's proposal — to begin looking into a VAT plan, if not like the actually adopting one — promptly was endorsed, with some caveats, and Walong, by the House Ways and Means Committee chairman, Al Ullman, D. were alkely. Ore., who had been toying with the plan for years.

move is that, like many members of Congress these days, they are looking for an escape from rising Social Security payroll taxes. Voters are upset over the increase in payroll taxes, but do not want and it is no use general income tax revenues to finance the system, for fear of

" ichavar," destroying the mythical link between "contributions" and Social Se-"I" " " " curity benefits. (Actually, that link does not really exist. This year's benefits are financed by this year's payroll tax recepits, oot by monies paid in during previous years. But many voters feel more secure believing that

On the surface, at least, the value-added tax would seem to provide ome attractive features for dealing with the Social Security problem in

KUALA LUMPUR. Malaysia.

Dec. 10 (AP) — The United States,
Malaysia, Thailand and several

at same other countries have worked out a

problems posed by Indochinese ref-ages fleeing Communist countries in Indochina, senior U.S. and Malaysian officials said today.

leagest The formula, which has the

officials said.

·develop it.

a short while only.

blessings of other countries and

commissioner for refugees, will be

presented to the 40-nation Geneva

The United States and Malaysia

according to officials who beloed

AVENT perbaps with some modifications,

The formula began taking shape as long ago as August, when Malaysian Foreign Minister Ahmad Rithauddeen held talks with U.S. Secretary of State Cyrus Vance in Washington, But it began

lo crystalize only over the past few

Under the formula, Malaysian
Home Affairs Minister Muham-

prepared to be the staging post for boat people streaming out of Indochina, they said. The staging post will be a camp where refugees picked up along various parts of the coast can be accommodated for

CIAS remain in Malaysia, the officials

from the staging post quickly to a processing center somewhere in the pacific. Guam has been suggested

by Malaysia, but because of the

ition might offer a lightly populated island in the Pacific for the pur-

At the processing center, the Western nations and others may

migration, the officials said.

, take their time in interviewing and

selecting refugees for permanent

sees in Guam and its distance from Southeast Asia a closer location

may he sought, the officials said, They added that a Western na-

The refugees are to be taken

, mad Ghazali will tell the confer-

ence in Geneva that Malaysia is

weeks, the officials said.

scheduled to begin tomorrow, the

long-term formula for solving the

this country.

It allows lawmakers to turn to a brand new form of tax that could be earmarked specifically for the Social Security trust fund, without (Continued on Page 2, Col. 8)

Formula Envisions Short-Stay Camps

Malaysia Agrees to Serve as Refugee Staging Post

An Iranian boy, fist raised in symbolic defiance, heads a huge crowd of demonstrators in Tehran.

The banner in the foreground proclaims that everyone has the right to take part in the government of his country, and one high in the background says "We will destroy Yankee power in Iran."

#### Egyptian's Message Read at Nobel Ceremony

## Begin, Sadat Pledge to Strive for Peace

OSLO. Dec. 10 — President
Anwar Sadat of Egypt and Prime
Minister Menachem Begin of Israel
pledged themselves today in their
acceptance speeches of the Mohal acceptance speeches of the Nobel Prize to continued efforts for peace. ferences between them.

ceremony for the first time because of concern about security, Mr. Be-

and haured.

While demonstrators on the ap but they clearly marked out the dif-proaches to the 14th century Akin a moated forcess used for the awards and demanded a Palestinian homeland, Mr. Marei read aloud a message from Mr. Sadat in

gees from the camps.
Vietnam at first indicated it was

not interested in attending the con-

which the president said he was determined to pursue "the road to peace, and to leave oo avenue unexplored to reach this cherished goal. and to reconcile the sons of Ismail and the sons of Isaac."

Mr. Marei explained to the audience of about 250 persons that the president had not come to Oslo because "circumstances particularly related to the negotiations required his presence in Cairo." Mr. Sadat met in Egypt today with Secretary

#### Words Stressed

Mr. Begin, who spoke second. stressed each word as he reiterated the pledge for peace that be and Mr. Sadat made last year during the Egyptian leader's visit to Jerusalem: "No more war. No more bloodshed. We shall negotiate

and reach agreement."

Meanwhile, In Stockholm, Nobel
Prizes worth \$825,000 were presented today to six Americans, a Swiss, a Briton and a Russian by King Carl XVI Gustaf of Sweden. The first winner at Stockholm's concert hall was professor Piotr Kapitsa, 84-year-old Soviet scientist and a rare visitor to the West. He shared the physics prize with two Americans, Dr. Arno Penzias and Dr. Robert Wilson.

The literature award went to Polish-born. American writer Isaac Bashevis Singer for his Yiddish-language works on the life of East European jews. Dr. Peter Mitchell of Britain received the chemistry prize, and Swiss professor Werner Arber shared the medicine prize with American professors Hamil-ion Smith and Daniel Nathans.

The economics prize went to Pro-fessor Herbert Simon of the Carne-

gin and Mr. Marei both pointed up (Continued on Page 2, Col. 4)

# Marchers Stay Peaceful

# **Huge Crowds in Iran** Protest Shah's Reign

ism and corruption." He said the

presence of the "great human tides" in Tehran was "the best

proof of the justice of the cause of our people," and he warned those

By Jonathan C. Randal

TEHRAN, Dec. 10 (WP) -Without a single known serious incident, great numbers of Iranians today staged their biggest protest march to date against the authority of Shah Mohamed Reza Pahlavi. The disciplined march through

the capital went on for more than six bours and lent considerable weight to the claim of the religiousdominated opposition that it is an alternative power. Feared out-breaks of violence did not take

place.
Under an agreement with the government, almost all troops and police were absent from most of the capital, especially areas hard his by arsonists and rioters in earlier dem-

Marshals in the street, and turbaned mullahs atop buses jusing hand-beld loudspeakers, regularly reminded the crowd to avoid acts

of violence Although the shah's name was mentioned neither on banners nor in chanted slogans, the whole day

was an unmistakable show of no confidence in him. There was solace for the shah, wever, in the fact that his

eleventh-bour concession reversing a martial-law ban on the march spared bloodshed.

#### Estimates Very

Estimates of the numbers of marchers varied considerably. The government-controlled radio first spoke of only "tens of thousands," but later mentioned "around 400,000," while the National Front opposition claimed that 2.5 to 3 million of the capital's 4.5 million residents took part. Conservative crowd-watchers suggested that perhaps 750,000 marched.

Old men, mothers carrying babies in arms, women wearing the full-length veil called the chador, working-class people, middle managers, professional men, and especially many young men took part in the march, which started in seven separate locations.

into the main line of march on Shah Reza Avenue for the five-mile walk to the dispersion point at Shahyad Monument, commemorating 2,500 years of Iranian history, the six-lane thoroughfare was solid-

ly packed with people.

Karim Sanjahi, the National Front leader only recently released from prison, hailed the march as proof that Iranians were deter-

in Iran and abroad not to count on any "attrition" of Iran's slowmotion revolution. marked International Human Rights Day and the first of two

Theoreticalty, the processions

Hussein, grandson of the Prophet Mohammed and founder of the Shiite sect of Islam, which is Iran's state religion.

But from beginning to end it was the show of Paris based Ayatollah Rubollah Khomeini. li was the name of the exiled Moslem divine (Continued on Page 2, Col. 1)

#### Shuttle Diplomacy Possible

# Vance, Sadat Hold 'Constructive' Talk

CAIRO, Dec. 10 (NYT) — U.S. Secretary of State Cyrus Vance held a "very good, full, and constructive" meeting with President Anwar Sadat tonight as be opened the U.S. drive to overcome the obscheder and the construction of the the obstacles holding up an Egyptian-Israeli peace treaty.

By Bernard Gwertzman

Following the initial 90-minute session at the Egyptian leader's villa on the Nile, 15 miles north of here, neither Mr. Sadat nor Mr. Vance spoke to reporters. But later, a U.S. spokesman, George Sherman, provided the positive description of the meeting. A follow-up session is set for tomorrow.

Mr. Sherman said that after posing with their aides for pictures the start of the meeting, Mr. Sadat and Mr. Vance met alone. Mr. Vance told Mr. Sadat of President Carter's determination that the Camp David-inspired peace treaty be completed soon and that both Egypt and Israel show the oceded flexibility to overcome the last hur-

Specifically, Mr. Vance would By the time they all funneled like Mr. Sadat to drop his objections to the text of a month-old U.S. compromise plan, perhaps through the addition of some expla-

natory "side letters." The secretary arrived late vesterday afternoon on an Air Force plane from London and was immediately taken by helicopter to Mr. Sadai's country bome in the area

known as the Barrages.

sion, Mr. Vance will interrupt the negotiations to fly to Israel to join the delegation headed by President Carter's mother. Lillian Carter, at the funeral of former Prime Minis ter Golda Meir on Tuesday, Mr. Vance intends to have informal discussions with the Israelis on Tuesday, but to return bere later that day, flying back to Israel on Wednesday,

#### "Tough Sledding" Expected

The reporters were also told that the secretary expects "tough sledding" in his mission to Egypt and Israel, a mission that Mr. Vance said yesterday could be extended to include shuttling back and forth if that would help resolve the few obstacles still holding up the peace treaty that was agreed upon in out-line form at Cump David on Sept.

At Camp David, President Carter, Mr. Sadat and Prime Minister Menachem Begin of Israel set a target date of Dec. 17 for finishing negotiations on the actual peace treaty. But the formal talks have gone much more slowly and with more difficulty than anyone pro dicted when they began on Oct. 12 in Washington.

In November, Mr. Vance gave to both Egyptian and Israeli negotiators a draft treaty package, which he told them the United States regarded as a fair compromise on the ssues raised in the talks. Neither side has fully accepted that draft.

(Continued on Page 2, Col. 3)

#### Poor Nations Were Promised New Funds

After tomorrow evening's ses-

#### Carter Said to Hold Off on Aid Pledge By Don Oberdorfer

WASHINGTON, Dec. 10 (WP)

- Bowing to budgetary and politi-cal difficulties, the United States is preparing to back down on its promise to substantially increase its

Budget Bureau decisions taken in recent weeks, President Carter informed aides that he is not abandoning the U.S. promise but postponing it due 10 economic circum-

bring a sharp reaction from Third World countries.

Administration officials said Mr. Carter is also taking a strong stand against any major new aid package to back up the anticipated Egyptian-Israeli peace treaty. Earlier. Vice President Mondale and other senior officials expected that a large increase in aid to Israel and Egypt would be an important piece of legislation in the oew Congress. Mr. Carter surprised them by saying flatly that he is not committed to a major program for this pur-

pose, despite widespread belief to the contrary.

Mr. Carter's budget request to Congress next month will include a bilateral foreign aid figure nearly the same as last year's \$4.5 billion request, according to administra-tion sources. The State Department and the Agency for International Development are expected to mount a routine appeal on this decision, but there is believed to be little liketihood it wilt succeed.

The budget request will also call for about \$1 billion in U.S. capital for international financial institutions such as the World Bank. This is money to make good on past pledges which have not yet been matched by appropriations.

During his campaign for the presidency Mr. Carter promised to do more for the world's poor nations. As President he approved a high-level interagency recommen-dation that the United States substantialty increase the flow of development assistance to the Third World.

# 16 W. Germans

Die on Icy Roads BONN, Dec. 10 (AP) - At least 16 persons died in traffic accidents in West Germany this weekend as ice up to three centimeters thick glazed highways throughout the country. police reported.

Eight of the victims were killed in Bavaria, where one mishap hlamed on bad weather accounted for half the dead. Police said a car carrying six persons spun out of control yesterday on a curve near Neumarkt and slammed into an oncoming auto. Four of the six were killed, and the two survivors plus the driver of the other vehicle were seriously injured, officers said.

Hazardous conditions were also reported in Schleswig-Holstein. Bremen, Hamburg and hilly regions of North-Rhine Westphalia, Lower Saxony and Hesse. Ice snarled traffic on autobahns between Frankfurt and Kassel and in northern Germany, creating traffic jams up to 50 kilometers long.

# of a 3-percent hike in U.S. military spending. This and other aspects of recent hudgetary decisions have caused dismay among some offi-cials who know of them, and may high a sharp reaction from Third

aid to developing countries, according to official sources. In giving tentative approval to

stances, the sources said.

Mr. Carter's decision not to pro-

ance to the developing world con-trasts with his reported determination to make good on his promise

vide the promised increase in assist-

#### For Injured Vietnam Vet, Mental Wounds Lingered When Recruit's Body Healed, He Fought Drug Addiction and Despair By Robert Reinhold

Guarantee Needed RICHMOND, Va., Dec: 10 For Malaysia to implement such AGE that every refugee who lands there

(NYT) — For six years, Douglas Schwinn relived in his dreams that terrible afternoon when North Vietnamese troops encircled his infantry company on a godforsaken hill near the Cambo-dian border.

Drenching sheets of rain lashed the forest, mortar rounds whistled overhead, rifles cracked, the enemy closed in and be hugged the ground in cold terror. Then ripping pains tore through his chest and his arm. As he got up and staggered, another bullet sliced into his leg. A fourth bullet hit his shoulder.

A grenade burst nearby, filling his body with shrapnel.

Now the nightmares have stopped. But long after many

Americans have done their best to forget Vietnam, Doug Schwinn cannot. He never will. Ten years ago I met Doug in Vietnam, just days after he was cut down. His slender, 20-yearold body lay bandaged at an Army bospital. The published story of his medical care and

evacuation was a hopeful one. It

told of how key advances in mili-

tary medicine had saved his life and limbs and returned him home to what his Army doctors predicted would be a reasonably Though military medicine could heal his body, it could do

nothing to prevent the hell Doug Schwinn was to face back home. It could do nothing to prevent him from slipping into drug ad-diction and despair. It could not save his marriage or his job, nor prevent his car wreck. It could not prevent his drug arrests and felony convictions. Nor could it prevent him from trying to end the life it had saved.

A Typical Experience

Psychologists who have stud-ied Vietnam veterans such as Doug Schwinn — 300,000 were wounded - say that his experiences were typical. For thousands of young men, the experts say, bodily wounds have healed by now. hut not the psychologi-

The Doug Schwinn story, as it happens, has a happy ending. In the last year he has managed to

overcome his addiction to painkillers. Although be still has difficulty finding regular pipe-weld-ing work close to bome, he has a devoted new wife, Marlou, and a stepson, Chris. 5; they live in a modest garden apartment here. Thousands of other veterans

have not been so fortunate. They are still plagued by drug addiction, sleeplessness, depression, marital discord and other adjustment problems.

And even Doug before he pulled his life together, paid for 24 months in Vietnam with 10 years of his life and almost everything he treasured. At 30, he is only now starting out at a point most men reach at 20 - as a newlywed looking for work. "I lost everything," he said. "I had a good wife. I had a nice

home. I lost my son back in Ohio. I'm rebuilding it now. It's been 10 years. But I'm going to

10 Years of Pain They were 10 years of intense pain, sometimes physical, mostly emotional. There was the

wrenching experience, after his divorce, of driving more than 250 miles from Virginia to his bome-town in Ohio to see his young son, only to drive past the house, see the boy playing and leave without stepping. Ultimately he would allow his former wife's new husband to adopt the youngster, who had just about forgotten his real father.
The years bave changed Doug

in many ways. In the hospital, he was an innocent-looking youth with blond peach fuzz on his chin who seemed dazed by what had happened to him and who felt sorry for himself. Today, sitting at the dining room table of his small, immaculate apartment with his wife, he is a strapping man with a mustache and a gostee. It is difficult to see that he was grievously wounded, without a close look at his malformed left hand.

He seems confident and at ease with himself now. He approaches life with maturity and sophistication.

It was out of Barberton, Ohio, in 1968 that the Selective Service

plucked Doug, a 20-year-old who had 'never used even aspirin. Unquestioning ("I just went ahead and did what I was told to do"), he left a new bride and soon found himself a foot soldier, a grunt, in a faraway war that he has since come to view as a senseless waste.

He never joined the anni-war movement, but be saw things in Vietnam that troubled him. He says he watched in amazement when his lieutenant called in a Cobra gunship and "dusted away" a friendly village in which he reported seeing a woman with

He saw beavy combat about 10 times before that day he was felled. As in the movies, his life was saved, he believes, because the builet was slowed by the Bible in his chest pocket. He still has the bloodstained book, with a ragged hole through the middle, and the slug is still embedded in his chest.

Like thousands of other wounded, he was evacuated by a helicopter to a field hospital near Saigon, and then when his condition stabilized, to the Valley Forge Army Hospital in Phoenix-ville, Pa., for follow-up treatment. He spent a year and a half there, undergoing 11 operations on his arm alone. There were many complica-tions. The wounds healed slowly

and became infected. The long. idle days were filled with pain, soothed with liberal doses of painkillers. But he finally emerged in relatively good shape in January, 1970, and went home to

It was all downhill from there. "From being on drugs in the hospital, I got hooked on drugs, bad," he said. Codeine, Darvon, Valium and other painkillers be-came his daily diet. At first they came, legally, from the Veterans Administration. When it finally cut off his supply, he found clever ways to fool pharmacists. He would pretend to be a doctor and call in prescriptions by phone to dozens of drugstores. "I went to pick it up and, you know, they had it all ready for me," he said.

The pills — he popped 30 to 40 a day — slowly destroyed his life. The 6-foot-1-inch veteran's weight dropped to 135 pounds,

(Continued on Page 2, Col. 6)

that are the refugees' main targets as they flee Indochina will call for an increased intake of refugees.

Under the formula, Thailand, Malaysia, Indonesia, Singapore

Increased Intake

and other nations of Southeast Asia

The United States, West Germany, Canada, Australia, France, New Zealand and other nations that have been taking the refugees will be asked to increase the number accepted. And some South American nations attending will be asked to open their doors. Other

nations, like Japan, which already suffer from overpopulation, will be asked to contribute aid in cash and

. By Karen DeYoung

HAVANA, Dec. 10 (WP) - Pres-

ident Fidel Castro yesterday announced the signing of an agreement authorizing the release of more than 3,000 Cuban political

prisoners and presented an ininal

list of 400 prisoners be said would

The agreement, negotiated in the past several weeks with a group of

Cuban exiles, also provides for the free exit from Cuba of the current

prisoners and at least 12,000 more

be freed this month.

goods to help implement the for-mula, officials said. other countries' acceptance of refu-gees from the camps. Vietnam at first indicated it was

commission would run the staging post and the processing center.

During the last 40 days, hundreds of Viennamese each day have landed on Malaysia's northeast coast, pushing the population of the country's Vietnamese refugee

ference in Geneva, saying it did not want to be accused by Malaysia, the United States and others of abetting the flow of refugees. But it was reported late last week that a Vietnamese delegation will attend. camps to more than 6,500 despite

led by its ambassador to France. Castro, Exiles Sign Accord

Following Mr. Castro's of up to 400 a month. announcement, the more than 140 exiles who traveled here Thursday to complete the agreement - some of them former prisoners or veter-

ans of U.S.-sponsored campaigns to overthrow Mr. Castro's govern-ment — stood to applaud and sing the Cuban national anthem.

The exile group joined Mr. Castro in describing as a positive step the Justice Department's decision

on Friday to screen and admit

Cuba to Free 3,000 Political Prisoners former political prisoners and their families. quickly the newly released prisoners to the United States in groups But Mr. Castro and the exiles criticized U.S. reluctance to expe-

> ers, some of whom have been free for years, who have expressed a de-

sire to emigrate.
"The United States has differentiated between the two groups," Mr. Castro said. "Many of the exprisoners have friends and relatives in the United States" and it was

dite the admission of the ex-prison-

(Continued on Page 2, Col. 7)

gie-Mellon University in Pitts-burgh. In Oslo, the speeches of Mr. Be-

# U.S. Officials Hope Shah, Army Can 'Salvage' Regime

That idea, and others like it, were rejected. "To discuss that in any way in Iran could invite a move against the shah by the generals now," one policy-maker said. "At some point, we may have to begin positioning ourselves in that direc-tion. But that will come only when the storm dies down. For now, we have to batten down the hatches." While this debate continues in Washington, American intelligence sources are picking up increasing signs that the Soviet Union already

has decided that the shah's days are numbered and is positioning itself by its propaganda and support for Iranian groups to get on favorable terms with a successor regime. While the Carter administration

was locked in a bitter dispute last month over whether to give official sanction to a small-scale exodus by U.S. dependents from Tehran, the Russians quietly evacuated the families of their embassy person-

"Until this week, the tough decisions on Iran, like evacuation, just were oot being made at the White House," one foreign-policy analyst said. "There was total acceptance there of the overemphasis that Ambassador Sullivan is putting on any American move that might be taken as a slight to the shah right

Last week, the administration brought in George Ball, the former U.S. ambassador to the UN. to conduct a study of U.S. policy op-tions in the Persian Gulf. This move buttressed a feeling among some policy-makers that the White House finally has concluded that the shah's military government may be able to protect him through this volatile mooth but not much long-

Much of the mounting controversy around U.S. policy centers on the role of Mr. Sullivan, an extraordinarily antocratic ambassador in Laos from 1964-1968 and later in the Philippines. His diplomatic re-porting from Iran is described by a wide variety of U.S. government sources as being overwhelming sympathetic to the shah and his dictatorial system. Mr. Sullivan's style is said to have sharply discouraged any critical embassy reporting that would have alerted Washington to the growing chal-

adroitly with support early this year for increased U.S. diplomatic contact with the Iranian opposition, a move that is on the diplomatic record. In the debate over dependents' evacuation, Mr. Sullivan let it be known in Tehran that be violectly opposed any U.S. official involvement, but struck a far more ambiguous pose in his cables

"Sullivan is much smarter than to get tagged that way," said one knowledgeable critic. "He is not going to go down the tubes like Graham Martin," the source add-ed, referring to the U.S. ambassador to South Vietnam who resisted any moves toward an evacuation in

Moreover, Mr. Sullivan's sympa-thy for the shah evidently is shared by his ultimate boss, Mr. Carter, who instructed one White House aide early this year to be sure that a personal note emphasizing the president's friendship was sent to the shah on a regular schedule, according to a former administration official.

# Begin, Sadat Vow to Seek Peace in Nobel Pledge

yesterday for a friendly visit.

A group of Chinese newsmen from China's official news agency (Continued from Page 1) the differences blocking the peace treaty that was expected to grow out of the Camp David accord. Mr. Sadat emphasized the rights of the visit postwar Cambodia, except for the a leader of a small, pro-Peking Communist party in the United Palestinians and his view of the oecessity for a comprehensive and global peace settlement for the Middle East — both areas where discussions are continuing between the two sides. Mr. Begin again stated that he was satisfied with the peace treaty draft document that mild earthquake shook the Soviet-occupied Kuril islands just north of the Egyptians want revised to clear-

ly link it to Palestinian self-rule. Referring to the Palestinians, Mr. Sadat said: "Any peace not built on justice and on the rights of the peoples, would be a structure of sand which would crumble under the first blow."

The goal of the peace process, Mr. Sadat said "is to bring security

liberty and dignity. Mr. Begin, as he has in the past, stated that the draft document "can serve, if and when signed and ratified, as a good treaty of peace be-tween countries that decided to put an end to hostility and war and begin a new era of understanding and cooperation. Such a treaty can serve as the first-indispensable step along the road towards a compre-

Both laureates praised President Carter for his peacemaking efforts. Mr. Begin's speech frequently men-

Mr. Begin, who described him-self as "a son of the Jewisb people, as one of the generation of the Holocaust and Redemption." twice stressed that Jerusalem was the "eternal capital of Israel" - another issue on which there are strong ouresolved Arab-Israeli differences.

adoption of the Universal Declaration of Human Rights, Mr. Begin drew attention to the status of Soviet Jews. "I must remind my honored listeners of my brethren and the prisoners who are deprived," he said, "of one of their most basic rights: to go bome. I speak about people of great courage who deserve not only the respect but also the moral support of the free

Mr. Marei shook hands, as they did from Mrs. Aase Lionaes, chairman of the Norwegian Nobel CommitFor Vet, the Mental Wounds Lingered he can handle the work. But last He dreams of a new house. He

and he began to have seizures, which terrified his young son. He stopped working. It was not diffi-cult to get along, because be re-ceives tax-free disability payments of \$823 a mooth from the Veterans dministration.

(Continued from Page 1)

Finally, a druggist tripped him up and a squad of narcotics agents arrived and took him to jail. He was tried, convicted and received a suspended one- to five-year sentence, with four years probation.

Divorce proceedings followed.

Then he wrecked his oew car. But

be went right on having phony pre-scription orders filled. "I just screwed up my whole marriage." be Divorced, he moved to Virginia, where, after a brief unsuccessful stay at a religious retreat, he lived

with his retired father in Lynchburg. All the while he popped Again he was arrested. Again he was coovicted. Again a sympathetic judge let him off with probation.

He went right back to the drugstore for more pills. Then, in March of last year, he attempted suicide by swallowing 80

Valium pills and six cans of beer. He woke up three days later, grog-As with so many addicts, the decisioo to change came only when despair was total. "My parents would not have anything to do with me anymore," he said. "They more less disowned me. I had burt so many people I didn't have any friends at all. My brother and sister

told me never to come around again. I had just burt and used all my friends. That's when I made up my mind to get off drugs. f was just tired, I was run down.

So last year he committed himself to a strict-regimen drug pro-gram at the Maguire VA Medical Center in Richmond. There he met Marlou, now his wife,

"He just seemed like a nice decent guy to me." she said, reaching over and touching his wounded left elbow. "I knew from the beginning about his drugs, but that didn't bother me because I knew he was serious. I helped him."

"I have oot felt better in my life than right now," Doug said, gazing at Marlou. "I feel good about everything. I'm getting a new start; she's getting a oew start."

Doug's apparent recovery is con-firmed by his Virginia probation officer, Lynwood Jones, who said he was "thoroughly convinced" that Doug was free of drugs. Indeed, he seems to take the blame himself for most of his trou-bles. He insisted that it was all his bles. He insisted that it was all his

If Doug truly harbors no deepseated bitterness, he is unusual, ac-cording to Dr. John Wilson of Cleveland State University and Dr. Charles Figley of Purdue, psychologists who have studied bundreds of Vietnam-era veterans. They say that many, particularly those who saw frequent combat, continue to have severe, often delayed, psychological difficulties accompanied by intense guilt, resentment and anger

Ability to Change

That Doug Schwinn apparently does not harbor such feelings may help to explain his ability to change. For seven years, be concedes, "nobody could tell me oothing." But he bas since matured, developed a love for life and his work (when he has it) and evolved a bealthy acceptance of what be is and is not. What he is now, by all appear-

ances, is a suburban family man.

#### **Five Police Stations** Bombed in Corsica

BASTIA, Corsica, Dec. 10 (AP)

— Bombs believed set by Corsican nationalists damaged five gendarmerie stadons early yesterday, 48 hours before French Prime Minister Raymond Barre was to begin a two-day visit to the island. A sixth bomb was found before it explod-

No organization directly claimed responsibility for the gendarmerie bombings, but they bore the hallmark of the underground Corsican National Liberation Front.

summer be managed to go water loves his new van, and dotes on his stepson, for whom he is being the Ten years ago, as I left Doug in the Army hospital, his surgeon told me he probably would lead a "fair-ly cormal life," but that he would father he was not to his natural son. Physically, his wounds still give him bad days. He maintains that he

# **Cuba Agrees to Release** 3,000 Political Prisoners

(Continued from Page 1)
"the United States that led them into counterrevolutionary setivity

NOBEL AWARD — Israeli Prime Minister Menachem Begin bows after receiving Nobel Peace Prize yesterday in Oslo from Mrs. Asse Lionaes of the prize committee. Sayed Marei

represented President Anwar Sadat of Egypt, co-winner of the prize. Story on Page 1.

moral obligation to accept any current or former counterrevolotion-ary prisoners Cuba is willing to release. "We don't understand why the United States is making it so.

ban relations in general as pretty bad. While he commended Presi-dent Carter for being what he said was the first U.S. chief executive not to authorize attacks against his government, Mr. Castro repeated old and recent charges against the United States. He criticized the 16-year-old U.S.

Mr. Castro also referred to last

month's flap over the presence of Soviet MiG-23 jets in Cuba as a fraud because he said the United States had known of the planes for

The United States publicly charged Cuba with maintaining strategie aircraft following what Mr. Castro said was the Nov. 12 overflight of a U.S. spy. plane. Cuba, he said, could have shot down the plane, but did not want to put Mr. Carter in an embarrass-

'Powerful Arguments'

Carter to Cuba to discuss bilateral relations, he said he would, in theory, "dare to talk with Mr. Carter anywhere because I have some powerful arguments" to present to

appears not only to have embarrassed the Carter administration, but has gone a long way toward si-lencing one of the more militant anti-Castro groups in the United States — the exiles.

Cuba's 3,500 political prisoners, some of whom have been in jail for more than 20 years, to the United States in August. He called the step a gesture toward improved relations with the exile community. During the first week in September, a group of exile journalists came

were made up primarily of ex-pris-oners and their families who wanted to emigrate to the United States; because they had family there or felt they suffered discrimination

never be able to play tennis.

ould 1

By mid-October, however, only 46 of those had been cleared for admission because of what U.S. authorities said was a necessarily long process to screen out possible crimnals or Cuban spies and terrorists.

The exile groups that had long pressured Mr. Castro oo the prisoner issue then began to pressure the U.S. government.

## VAT Rouses Mer Gir trade embargo against Cuba as indecent. He noted that, following his denial last May of Cuban in-

(Continued from Page 1) getting Congress mired in the sticky issue of general income-tax:

revenues. Because it is hidden from consumers, the VAT is less-visible than . the present Social Security payroll tax, which workers oow feel with every paycheck — and it is less likely to cause a stir if the tax rate has to be increased.

• The VAT is an easy money

raiser. Tax experts figure that each percentage-point of value-added taxes would bring in \$12 billion in revenues. A VAT of, say, 4.25 percent would replace one-third of today's payroll tax. But the plan also presents some ...

problems, not the least of which is that it is inflationary. Because the VAT is absorbed directly into retail prices, it would send consumer prices soaring, bloating cost-of-livng raises as well. For another, a VAT would not

be as progressive as the income tax is. Instead, it would hit pro portionally harder on the poor. (The prob lem can be offset some hy exempting food and basic necessities, but the difficulty still holds.) The only major value-added tax now in effect in the United States is

the new state corporation tax voted in by Michigan in 1976. Rep. Ullman described that plan as a possihle model. In reality, however, it is a tax accountant's nightmare.

The base oo which it is levied not

only includes profits, but wages, interest, royalties and other items - offset hy a spate of "adjustments" covering everything from the cost of acquisitions to expenses paid for bousing rental.

The problems inherent in a European-style value-added tax would not be as toueby as the Michigan plan seems to be. But analysts see a truckload of problems about 2015 truckload of problems ahead anynames handed over to the United way — from streamlining the measure to tailoring it for U.S. needs.

#### WEATHER

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chances to influence and perhaps moderate the outcome of the crisis.

Mr. Carter reportedly is being officials who do not want to be political forces that may bring him cratic exercise of finger-pointing by down oow.

This dilemma was underscored By Jim Hoagland civilian ministers in a coalition gov-ernment, according to official U.S. WASHINGTON, Dec. 10 (WP) last weekend as the administration - Immobilized by the slow coladvised in the strongest terms by beid responsible for a potentially The failure of the secret talks his national security adviser, Zbiglapse of the authority of Shah major policy failure. silently watched the failure of the locked the shah and the opposition shah's last ebance to find a political More fundamentally, the crum-Mohammed Reza Pahlavi over the niew Brzezinski, and the U.S. aminto the course of risking confronsolution to head off the impending showdown in the streets during the past year, U.S. policy-makers are bassador to Iran, William Sullivan, bling of another highly valued but tation in the streets this weekend now nationally unpopular ally has depending on the Iranian Army to to take this course. and for the rest of December, and celebration today and tomorrow of There is growing concern among left the normally activist Cartet ad-lower-level U.S. policy-makers that ministration trapped passively in get the shah through this crucial pulled the Carter administration the Shiite Moslem boly mourning weekend and into a position to salalong that same path. The presi-dent could only say Thursday that the United States would not interthe United States will have little in-fluence on the outcome in Iran un-ing dilemma of post-Vietnam world vage what he can from the wreck-Direct talks between the shah and leaders of the political opposiage of his system of total control. less the Carter administration The salvage operation will affect poliocs. vene directly in any internal showtion on forming a coalition govern-ment, previously undisclosed, hroke down when the shah ada-Support for the kind of covert U.S. operations that restored the shah to the throne in 1953 is ruled vital U.S. economic, military and moves rapidly and visibly to pave political interests, but President Carter continues to resist any the way for major changes in Iran's U.S. officials acknowledged last power structure week that there had been intense This emerging policy battle al-ready is sparking a fierce oew mantly refused to yield any of his out as firmly as would be friendly moves that would burt the shah. discussion within the administracontrol over the Iranian Army and overtures toward the opposition even if they would improve U.S. tion of a more active American role in bringing the shah and the oppo-sion together, especially on the vi-tal quescoo of the future of the U.S. trained Iranian military in a Core of the Revolt Against the Shah Iran's 180,000 Mullahs: Opposition's Cutting Edge power-sharing arrangement be-tween the shah and opposition polithe fruit to a visitor. "We doo't dis-

# By Nicholas Gage

BABOL, Iran. Dec. 10 (NYT) -A story is much repeated in this prosperous resort city near the Caspian Sea, 130 miles northeast of Tehran, about a hapless policeman who bad the audacity to approach a mullah while he was exhorting a crowd oo the street, and to tell him

to move along. Without a word, one of the faithful stepped forward, pulled a knife, disemboweled the policeman and went back to listening to the mul-

lah.

The story is probably apocryphal, but it illustrates the way the Iranian faithful feel about their multahs — especially now, when these Moslem priests are at the core of the revolt against Shah

Mohammed Reza Pahlavi. When Mohammed Hoiatti. one of the most popular muliahs in Babol, was arrested three months ago, 20,000 persons — one-fifth of the city's population — flooded ioto the streets, demonstrating until the police released the muliah three

days later. Mullah Hojatti received visitors yesterday in his small, plaster, fourroom house at the end of an alley. The mullah, who was arrested for iociting people to demonstrate, hardly looked like a rabble-rouser. Extremely thin, with a gray beard and wisps of gray hair showing under his white turban, he seemed at least a decade older than his 40 vears. Under his brown robe - or aba — a gray, V-neck wool sweater was visible. Uoder that was a white,

The mullah pulled from his robe a folded photocopy of a picture of

## **Huge Crowds Protest Shah**

(Continued from Page 1) time again. And it was his portrait

they carried. (In France, an aide of Ayatollah Khomeini said that the leader deemed the religious march an "absolute success," Associated Press reported. The aide said that the march showed that the opposition could operate peacefully and effec-tively, and that the shah bad little support left.] The sbah's Niavaran Palace, in the foothills of the Elburz Mountains, was well within a cordon of troops, heavy tanks and jeeps carrying machine guns that the government set up to separate prosperous oorthern Tehran from

the opposition. Troops at roadblocks checked identity papers and appeared to be letting into northern Tehran only those who could prove residence there. A young women holding a child approached foreign journalists and spat out a hateful "Death to the Americans."
Anger at U.S. support for the

shah was a constant theme in slogans on hanners and in the cooversations of marchers, a surprising number of whom appeared to be U.S.-educated. Yet, for the first time since mar-

troops guarded the U.S. Embassy or other foreign embassies. The organizers were equally determined not to be tarred by the military government's suggestions that they were the tools of the

Communists.
Route marshals discouraged marchers from picking up leaflets distributed by the banned Tudeh or

Communist Party.

A young marshal in a hattered
U.S. Army surplus field jacket said,
"Yes, we have arms, but in our houses. We don't need them now.' A doctor named Manuchehr, 37, echoed many of those interviewed in saving. "The shah must go. We want nothing to do with the shah, with the past. We want something

Angry charges against the shah expressed by marchers ranged from bribery and corruption to torture. repression and arbitrary imprison-ment. A banner reading "We shall never be pushed down again" seemed to capture the mood, along with the constantly repeated chant "Allah is great," which symbolized the role that fslam has played in

wice in a toast with Hua Kuo-feng, bypocrisy of the ruling circles of the Chicese leader, during his visit this country, said the mullah to Iran last summer. "It is an insult "The shah says that the opposition

cs of tea, while some followers knelt io prayer, touching their foreheads to the small, smooth stones of the floor.

As be spoke, he pecled a tangerine with the skill of a master chef, turning back strips of rind until be had created an elaborate floor.

U.S. Envoy Reportedly **Opposed Iran Evacuation** 

By David Binder WASHINGTON, Dec. 10 (NYT) ing Carter 3d, the spokesman, who said that the president's comments
"do not indicate any change in U.S. The White House decision to fly U.S. military and civilian dependpolicy toward and our support of the shah." Mr. Carter added that ents out of Iran at government expense went against recommenda-tions of the U.S. ambassador in the flying out of dependents "is not Tehran, William Sullivan, accord-However, Pentagon officials said ing to administration officials.

The decision was made Wednesday evening at a staff meeting headed by Zbigniew Brzezinski, the president's national security About 5,000 have left in the last adviser, and was supported by George Ball, the former under secretary of state who was appointed last Monday to run an interagency study on Iran.
The limited evacuation was rec-

ommended as a response to what was determined to be a deteriorating situation in Iran, which has been rent by strikes and street vio-Mr. Sullivan had recommended a "business-as-usual" policy for the almost 45,000 Americans living in Iran, the officials said. They added that he had sharply opposed any move that would appear to indicate a lack of confidence in the govern-ment of Shah Mohammed Reza Pahlavi. The ambassador was said

just before the Moslem high bolidays of today and tomorrow. State Department Proposal Through Jody Powell, the presi- self-rule in the occupied West Bank Brzezinski said that the limited

to oppose especially any such move

evacuation proposal had originated in the State Department and was raised in the meeting of the standing consultative committee, a staff assembled from the National Se-State Departments, the Ioint Chiefs of Staff and the CIA to deal with a good-faith effort to bold Palestinemergencies.
Asked last Thursday at a break-

fast with reporters whether the shah could survive in office, Mr. Carter replied: "I don't know. I hope so. This is something that is in the hands of the people of Iran." Mr. Powell said Friday that this was a spontaneous remark and was

definitely not influenced by Mr.

However, the White House acknowledged the equivocal oature of the president's remarks by issuing a statement saying that Mr. Carter was concerned that erroneous interpretations had been made. Later Mr. Powell said that Mr. tial law was proclaimed, oo Army

> in Tehran, with a similar clarifica-Mr. Powell added, "Any sugges-tion that the U.S. is changing its policy toward the shah is erroce-ous." He coted a statement issued

Brzezinski had called Iran's Am-

bassador Ardeshir Zahedi, wbo is

#### Hussein Trip to Paris Confirmed by Jordan

at the State Department by Hodd-

AMMAN, Jordan, Dec. 10 (AP) — The royal palace confirmed to-day that King Hussein will leave tomorrow for an official visit to France. It did not mendon a possible meeting between King Hussein and Iranian opposition leader Aya-tollah Ruhollah Khomeini in Paris. A palace spokesman said that King Hussein would confer with French President Valery Giscard d'Estaing on the Middle East. Official sources here have said that King Hussein, who visited Tehran last mooth, was trying to mediate between the shah and Ayatoliah

Khomeini who is living in exile

to Islam for the wife of the shah to is influenced by the Communists. be drinking alcohol," be said stern-ly.

As he displayed the offending

But he is the one who entertains
Communists [and] sells gas to the
Russians at ridiculously low

Vance, Sadat

(Continued from Page 1)

and on this mission Mr. Vance is seeking to bridge the gap.

Both sides have had political problems with aspects of the U.S.

compromise plan. The Egyptians

have been concerned about being

seen in the Arab world, particularly

in Saudi Arabia, as having forsaken

the Arab cause by the signing of a

ed on several points, including one

that there be a document stating

explicitly that Israel will carry out

obligations leading to Palestinian

and Gaza Strip areas. Mr. Sada

wants a firm timetable in which

elections for Palestinian councils

would be beld by the end of oext September. Israel rejects such a

Mr. Vance has proposed that

ian council elections by the end of

oest year. This would be a target date, but not legally binding. So far, neither side has accepted the

Mr. Vance plans, as outlined to

reporters on his plane, to have a thorough talk with Mr. Sadat on

the issues he has raised and then to suggest ways of breaking the dead-

Cambodia Lets

Across Border

ictory in 1975.

cast said

2 U.S. Newsmen

BANGKOK, Dec. 10 (AP) -

Cambodia has allowed a group of

U.S. journalists into the country for

the first time since the Communist

Radio Phnom Penh announced today that Elizabeth Becker of The

man of the St. Louis Post-Dispatch

and Malcolm Caldwell, a British professor, arrived in Phnom Penh

also arrived yesterday, the broad

Miss Becker and Mr. Dudman

are the first U.S. correspondents to

States who also writes for the party

Tremor Jolts Kuril Isles

Japan yesterday, Tass reported.

MOSCOW, Dec. 10 (AP) - A

shington Post, Richard Dud-

U.S. compromise.

As a result, Mr. Sadat bas insist-

peace treaty with Israel.

**Hold Talks** 

world conscious of human rights and gave us courage to demand Unlike most religious leaders in fran, who generally receive their followers while seated on the floor

of a starkly empty room, Mullah Hojatti sat on a blue vinyl-covered chair surrounded by several other chairs, a coffee table and a bookcase full of religious tomes. case full of religious tomes.

His father, grandfather and great-grandfather were mullahs before him. At the age of 18 be left his native town of Bashere, 55 miles west of Babol, to receive his religious training in Najaf, Iraq, one of the main centers of learning for 13 molecular the switch for 13

like Americans," he said. "It was

Shiite Moslems. He studied for 13 years until the people of Babol invited him to come tn one of their 25 Now he is one of the 180,000

mullahs in Iran, a group that forms the cutting edge of the opposition forces. But contrary to what the outside world may believe, the mullahs do not create public opinion or incite their followers to revolt. In fact, members of the Shiite dergy depend for their living on the gifts of followers, and therefore become experts at reading the mood of the people, and then at expressing it in

their sermons at the mosques.

The Shiites — especially the conservative, traditionalist merchants - are supposed to give up to 20 percent of their income to a mullah to help support religious institu-tions and care for the poor.

Considerable Amount

A mullah as popular as Mullah Hojatti collects a considerable amount, though no records of donations are available. The contributions are in goods as well as in cash. Three huge bags of beans, for example, were propped against one wall of the room where he receives visitors. He gives these to the poor

who might approach him. In addition to his duties as a preacher, teacher and leader of prayer in ooe of the city's most important mosques, Mullah Hojatti is a director of a fledgling Islamic bank that he said offers ic out interest, in accordance with religious teachings. He also said he directs an orphanage and oversees

various charities. Of the money and goods donated by the faithful, the mullah is al-lowed to keep a third to support himself, his family and his own particular projects; he must distribute the rest to religious institutions and charities. He makes extra money through gratuities when he per-forms religious ceremonies, such as memorial services. He is also paid

matic resurgence in attendance. place where opposition can be

for lectures on religious subjects. Although about 33 million of Iran's 36 million people are considered to be followers of the Shiite faith, there had been a small ero-sion of ottendance at the thousands of mosques and holy places before the current turnoil began. Recent-ly, however, there has been a dra-

Uoder the shah's rule - especially with recent martial law and curfews in effect, newspapers on strike, and political parties and student unions restricted - the mosques have become the only organized, encouraged and ex-pressed through the amhiguous re-ligious allusions of the mullahs.

lenge to the shah. Mr. Sullivan has balanced this

bome, according to U.S. sources.

increasingly desperate circum-stances in 1975.

to the peoples of the area, and the Palestinians in particular, restoring to them all their right to a life of

hensive peace in our region.

tioned the Egyptian president and again offered him congratulations for winning the prize, but Mr. Sadat made no reference to his colaureate by name.

Taking oote that the ceremony fell on the 30th anniversary of the

world. After each speech, Mr. Begin and when they received their awards can do most things normal people do, only a little differently. He has Recently, Douglas Schwinn began to play tennis. been denied construction jobs because employers do not believe that

The United States, be said, has a

difficult."

Mr. Castro described U.S.-Cu-

volvement in the Katangan invasion of Zaire, the United States practically called me a liar."

nearly a year.

ing situation.

While Mr. Castro said it would be infantile for him to invite Mr.

But, Mr. Castro asked rhetorically, "Can Carter afford to defy the pressure of all the reactionary elements in the United States" to talk The prisoner-release agreement

Mr. Castro announced his intention to release all but about 500 of

Initial lists of more than 700

# Make it Mackinlay's MACKINLAYS Old Scotch Whisky The Five Generations Scotch

## **Kennedy Says Budget Cuts Could Divide Democrats**

could divide the Democratic Party force. as badly as did the Vietnam war. Delegates to the party's mid-term conference cheered Sen.

Kennedy's ringing call for a re-newed commitment to traditional Democratic welfare programs and the passage of national health

But they clearly failed to dis-suade Mr. Carter from his decision to give top priority to military speading in a year of budget auster-

At two workshops yesterday, the At two workshops yesterday, the president was repeatedly pressed to explain how his administration would justify spending additional billions for weapons while impos-At both, the president's answer was the same: "I do not have any apology to make at all for maintaining a strong defense. As long as I am in the White House, I will been a strong defense." mitter receipt keep a strong defense."

'Guzs vs. Butter'

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Five hours after Mr. Carter flew back to Washington, Sen. Kennedy added his powerful voice to the growing "guns versus hutter" de-bate ine a wildly cheered speech that immediately revived talk of a possible 1980 confrontation between the

two men.
The party that tore itself apart horizontal har over Vietnam in the 1900s talled afford to tear itself apart today over budget cuts in basic social over budget cuts in basic social programs, he declared. "There could be few more divi-

that to blue to. sive issues for America and for our party than a Democratic policy of drastic slashes in the federal hudget at the expense of the elderly, the poor, the black, the sick, the cities and the unemployed,

"We cannot accept a policy that cuts spending to the bone in areas like jobs and health, but allows billions of dollars in wasteful spending for tax subsidies to continue her familier the familier and adds even greater fat and waste through inflationary spending for in and the defense."

Carter Annoyed

al) today tag (Pad Samida) Mr. Carter was back at the White Honse hefore Sen. Kennedy unleashed his warning, hut earlier in the day, when Sen. Kennedy's Lawred agefriend, Sen. John Culver, D-lowa, CVID-08173 asserted that defense spending is "relatively speaking the most inflationary dollar you can spend," Mr. Carter's response was tinged with

By Edward Walsh and Bill Peterson MEMPHIS, Dec. 10 (WP) - He said that Sen. Culver was President Carter was warned last wrong to suggest that it was wastenight by Sen. Edward Kennedy, D. ful to build weapons that were nev-Mass, that the domestic hudget or used, because deterrence was the cons he is considering for next year objective of a strong U.S. military

We build weapons for peace and to let the world know that our

nation is strong," he said, On Friday, Mr. Carter told his fellow democrats that they were de-luding themselves if they thought "progessive" government that seeks to help the poor could continue without first bringing inflation un-

The president also appealed for help next year in winning Senate approval of a new Strategie Arms Limitatioo Treary (SALT) with the Soviet Linion Soviet Union.

About 100 black delegates voted to seek a meeting with Mr. Carter to express their concerns about budgetary threats to domestic pro-

Behind-the-scenes talks were going on between the president of the United Auto Workers, Douglas Fraser, who represented a group of liberal dissidents, and Mayor Coleman Young of Detroit, who spoke for the administration, on a compromise resolution that might put the convention on record for protecting urban and unemployment aid from deep hudget cuts.

**Accomplishments Cited** 

Addressing the more than 1,600 delegates, Mr. Carter did not dwell at length on economic austerity. Rather, he jabbed at the Republi-cans and recited what he said were the accomplishments of his administration and the Democratic Con-

But when reaffirming his determination to make severe cuts in government spending, he argued crack some bones — not too many, government spending, he argued that only by controlling inflation could Democrats meet this party's traditional social welfare goals.

Inflation threatens all our gains and all our hopes for continued growth," he said. "Inflation is robbing those whom we most want to help: working families, the pensioner, the widow and the poor. It breeds a narrow politics of lear." He added that, while "short-term

sacrifices must be made," he will seek to balance them and that if he errs "it will be on the side of those who are most in need."

Meanwhile, Thomas (Tip) O'Neill Jr., speaker of the House, predicted that the Democrats will renominate Mr. Carter and Vice President Mondale in 1980, and that they will face a Republican ticket headed by Ronald Reagan, the former governor of California.

# Roll Carter Gives Go-Ahead Inter To 1980 Primary Drive

By David S. Broder

President Carter gave the green light yesterday to an immediate competence." Rep. Spirou said. start on his 1980 New Hampshire The meeting was set up by presidential primary campaign, aimed at heading off any serious challenge in the nation's first pri-

The decision was reported by Chris Spirou, minority leader of the New Hampshire House of Represcatatives, who met privately with the president just before Mr. Carter left the site of the Democratic mid-

Rep. Spirou said that Mr. Carter agreed it would be wise to "put to-gether an effort oow to make sure he has support in New Hampshire for his re-election — should be seek

He said the move had the backing of Gov.-elect Hugh Gallen, a longtime Carter friend who takes over in January as the first Democratic governor of New Hampshire

Rep. Spirou, who led the 1976 campaign for Sen. Birch Bayh, D-Ind., when Mr. Carter won New Hampshire, said he told Mr. Carter it would be wise to "have a preventive effort" aimed at warding off any challengers, "rather than a remedial effort" after a challenge

"I told him there is a natural tendency for some Democrats to

MEMPHIS, Dec. 10 (WP) — challenge those in authority, even resident Carter gave the green when they have demonstrated great

The meeting was set up by Mr. Carter's political assistant, Tim Kraft, after Mr. Carter called Rep. Spirou two days ago to congratulate him on his re-election as the state house leader.
Mr. Gallen said that he had

planned to be present at the meeting. He added that he was uncertain about the details of Mr. Spirou's plan, "It's pretty hard to prevent someone else from running in New Hampshire," he said.

Jean Wallin, along with Mr. Gal-len a leader of the 1976 Carter drive, said she had learned of the Carter-Spirou meeting only after it

Last summer, Rep. Spirou was one of several New Hampshire Democratie leaders who had forecast problems for Mr. Carter if Sen. Edward Kennedy, D-Mass., decided to challenge him in New Hamp-shire in 1980.

Mr. Gallen's victory over threeterm Republican Gov. Meldrim Thomson put a staunch Carter ally into the leadership of the party.
With Sen. Thomas McIntyre, D-N.H., defeated for re-election last month and Sen. John Durkin, D-N.H., facing a potentially aright fight for another term in 1980-Mr. Gallen is likely to be a key figure in the leadoff presidential primary.

### Grounded Aviator Accuses Navy Of Phony Flights, False Records

SAN DIEGO, Dec. 10 - A oumber of Navy pilots flew unnecessary flights — including a trip to Washington, D.C., to buy a house — to justify their budget, a grounded aviator has charged.

Records were doctored to make the flights appear legitimate, the

pilot said, but the real reason for them was to use up the squadron's allotted fuel and flight rime — so that allotments would remain high in the coming year and superior officers would be content.

Lt. Gerald Baldwin, 28, a pilot for eight years, made the charges

Friday after months of haggling with oaval boards and commanding officers about a flight over Squaw Valley, Calif., a ski resort, that cost him his wings.

Lt. Baldwin has filed suit in U.S. District Court in San Diego

demanding that his record be swept clean and that the government pay him \$10,000 in damages. Assigned to an anti-submarine unit until he was grounded March

27 after a flight over Squaw Valley that violated regulations, Lt. Baldwin said that he is convinced he was singled out by his superior to disguise the full extent of the "unnecessary" trips.

The fraudulent flights were made not only by his squadron, but also by nearly all units assigned to duty at the naval air station at North Island near San Diego, Lt. Baldwin said.

Lt. Baldwin said his troubles began when superior officers realized they had not used up half of the squadron's allotted fuel and flight time. These officers were "anxious to avoid any sideway glances from above so they tried to keep the allocations on track,"

Lt. Baldwin said. To do so, they orderd the prolonged flights, he

On one trip, Lt. Baldwin and co-pilot Lt. Lynn Waltz flew low over Squaw Valley, executed a roll. A naval officer based in Fallon, Nev., apparently spotted the jet and reported it.



A MEMORIAL VISIT — President Carter gazes from the balcony of the motel in Memphis where Martin Luther King Jr. was assassinated in April, 1968. Accompanying the president are Mr. King's widow, Coretta, and Andrew Young, the U.S. envoy to the United Nations.

#### Warning Bared in Tape Recording

## Synanon Leader: 'Don't Mess With Us'

By Bill Farr

and William Overend

VISALIA, Calif., Dec. 10 Charles Dederich, the founder of Synanon facing conspiracy charges in an alleged murder attempt, warned in a tape recording last year, "Our oew religious posture is this: Don't mess with us. You can get killed dead. Physically dead."

because you doo't have to. We're going to react to all aggression toward us." Aiming most of his recorded at-tack at lawyers who have challenged Synanon in court. Mr.

Dederich continued: "I'm quite willing to hreak some lawyer's legs, and then tell him next time, 'I'm going to break your wife's legs, and then we are going to cut your kid's ear off. Try me. This is only a sample, you son of a

"And that's the end of your lawyer. And that's the end of him and all of his friends; you see, it's a very satisfactory and bumane way of transmitting information."

13 Tapes Seized

The tape was one of 13 seized Nov. 21, when a team of Los Angeles Police Department investigators and prosecutors served a search warrant on Synanon's mountain retreat at Badger, 25 miles northeast of here in central California.

Synanon was founded as an organization offering an alternative lifestyle, primarily for those seeking to overcome alcoholism and drug

Synanon attorneys failed Friday in their attempt to have the key tape suppressed. Superior Court Judge Jay Ballantyne, after hearing it in his chambers, immediately ruled that the tape was public

After ruling that the police search of the Synanon facility was legal and that the 'new religious

mitted a dozen reporters to hear the to make the rules . . . [and] I see nothing frightening about it. I think it is a very stimulating ootion, Mr. Dederich, 65, currently hos-pitalized in Phoenix, Ariz, for what is reported to be a heart ailment in Synanoo who are stimulted by is reported to be a heart ailment in Synanoo who are stimulted by and alcohol problems, has been this notice and who are, you know,

their own.

depositions.

Mr. Dederich said he believed

the new posture would take attor-oeys hy surprise and added: "It's

like a couple of guys get into a light

O Los Angeles Times

chair leg down his throat."

It was known that the tape played Friday weighed heavily in the decision to charge Mr. Dederich. Two members of Synanon's "Imperial Marines" security unit. Lance Keoton and Joseph Musico, earlier were charged with putting a rattlesnake in the mailbox of Mr. Morantz's home in the Pacifie Pal-

isades area of Los Angeles. Mr.

Morantz was bitten by the snake.

hot he has recovered. There is only one reference to Mr. Morantz on the 15-minute tape. It was not made by Mr. Dederich, but by an unidentified male follower participating in the discussion about the general conduet of lawyers.

The voice on the tape said that Mr. Morantz had pursued a case that he believed had no merit only because the client had enough moncy to pay his fees.

#### Lawsuit Cited

This was an apparent reference to a lawsuit Mr. Morantz filed against Synanon in June, 1977, on behalf of a Los Angeles couple. In that case, the wife claimed she had been kidnapped and hrainwashed by Mr. Dederich's followers.

The label on the tape indicates it is a recording of Mr. Dederich holding "court" with Synanon members; the 15-minute portion played by prosecutors is some-where in the middle of that session. Mr. Dederich commented that the motive for the attorneys' ac-

tions against Synanon was solely "profit for money" and said that for this reason he was "eager to get mto the fray against them.

.He referred to lawyers as those

"who are draining our very lifeposture" tape was relevant to the blood out of us, expecting us to investigation. Judge Ballantyne adplay by their silly rules."

journed the court session and per ... . He continued: "No, we are going

## **Tapes Reveal Jones Vow** To Stay in Guyana or Die

fascist" United States.

The recordings, obtained in tranin one recording apparently made in 1977, Mr. Jones explained in the Carrana Chronicle apscript form by newsmen and pub-lished in the Guyana Chronicle, ap-parently were made at People's Temple cult meetings and in pri-

Georgetown, Guyana, on murder charges in the slayings of U.S. Rep. Leo Ryan, D-Calif., and four other Americans. The Guyanese court ordered Mr. Laytoo to stand trial beforc a magistrate Tuesday. If con-victed, he could be sentenced to

hang.
The slayings at a Guyana airstrip
Nov. 18 precipitated the mass mur-der-suicide of 911 cult members, including Mr. Jones, at their Jonestown commune.

Mr. Layton also faces charges of attempting to kill three People's Temple members who tried to de-fect from the commune with the

Ryan party.

In San Francisco, the first group of witnesses went before a federal grand jury less than 24 hours after they returned from Guyana. Thehearing, which is trying to deter-mine if any of Mr. Jones' followers plotted Rep. Ryan's death, will resume Wednesday.
The FBI said it had dismissed

warrants for eight persons who were believed to have participated in the ambush of Rep. Ryan's par-ty. "All eight are dead," said U.S. Attorney William Hunter.

In the transcripts of the tape recordings found in Guyana, Mr.

Jones, in disjointed and impassioned language, spoke grimly
about the country he and his folphysical allments he may be had
dwing his final days, and whether lowers ahandooed for their "social- during his final days, and whether

NEW YORK, Dec. 10 (UPI) — "I pledge to you that myself and all my people will die protecting your [Guyana's] borders," he said. "We would rather die defending rather die in his jungle commune this socialist nation than return to the sadistie and the sadistie and fascist land which · · . we have left."

in a rambling monologue spiced, with obscenities — how he wandered" into religion.

Meanwhile investigations of sev. "I'm wandering down the street, eral of Mr. Jones' followers were stopped at a tised-car lot, and I met under way yesterday in Guyana a man, and I find out he's a Methand in San Francisco. Odist superintendent and I think, Larry Layton, a People's Temple Odi. he is a religious nut," Mr. member, was indicted Friday in Jones said.

· He said he told the man, "I am a revolutionary . . . I don't believe in anything." Mr. Jones said that later, "he appointed me, a f—ing Communist, to a goddamn church
. . . This was 1953, I think."

#### First Bodies Released WASHINGTON, Dec. 10 (WP)

- The first of the bodies of People's Temple members who died at Jonestown were removed hy relatives yesterday from the U.S. Air Force base at Dover, Del., for

600 that had been identified so far from fingerprints and medical and dental records by FBI agents and Army technicians at Dover, where the bodies of the Jooestown victims were brought Army pathologists also prepared yesterday to begin autopsies on six of the bodies, including those of

sician, Dr. Larry Schacht, who mixed the poisonous hrew that cult members were forced to drink.

Mr. Jones and the Jonestown phy-

New Mexico Official Gets Lost in N.Y.

# City Jogging Hazardous for Governor

By Pranay Gupte

NEW YORK, Dec. 10 (NYT) -Jerry Apodaca was jogging his dai-ly 10 miles when he missed some turns in Central Park and got lost. It was 5:30 in the evening, it had turned dark and he was in Harlem.

There was no taxi in sight. When he spotted two policemen oear a check-cashing store, Mr. Apodaca, who was carrying oo money and was wearing only shorts and a jersey, was relieved. Here is

what he said happened: He went up to one of the officers and put a hand on his shoulder. Mr. Apodaca who was brought up in a small town thought oothing about such a gesture.

The policeman froze, "Doo't ever do that," he said. Mr. Apodaca, still out of hreath, said: "You're not going to believe this, sir, hut my came is Jerry Apo-dace, and I'm the governor of New

Mexico, and I'm lost."
The policeman looked at his colleague, then back at the sweating, disheveled man, and smiled.
"Sure, buddy, and I'm the president of the United States," the offi-

cer said.
"No, really," said Mr. Apodaca.
"I've got a problem."
"What do you mean?" the police-

man asked.
"I really am lost, and I need to go back to where I'm staying," Mr. Apodaca said. "Can you take me

"Any identification on you?" the

policeman asked.
"No," Mr. Apodaca said, adding that not only was he the governor of New Mexico, but also that he charged with conspiring to kill a somehow excited, by the sound of was the new chairman of the Presi-dent's Couocil on Physical Fitness Los Angeles attorney. Paul cracking bones, as long as it isn't

#### Texas Sniper Kills 2 While Firing at Cars

and one plans to more or less fol-low the Marquis of Queensbury IRVING, Texas, Dec. 10 (AP) — A sniper firing a rifle from a high-way overpass killed two persons rules and he ends up with a bottle in his face, a broken bottle, or a last night in separate incidents and

then disappeared, police said.
Police identified the victims as
Steven Gaulden, 12, of Plano, Tex-The Dederich tape was recorded Sept. 5, 1977. Later, Mr. Morantz was able to claim victory in the litias, who apparently was riding in a gation when a \$300,000 default car with members of his family, udgment was awarded because Mr. and Raymond Andrews, 43, of Arl-Dederich refused to appear for ington. Texas, whose wife was with him in the front seat and managed to hring the car to a safe stop.

and that he was in New York City to attend last Thursday evening's

Heisman Trophy award dinner.
"Sure," the policeman said, starting to guide Mr. Apodaca toward a radio patrol car. The other policeman said: "The

first place we're going to drop you, governor, is Bellevue." Mr. Apodaça had never heard of Bellevue Hospital and its psychiatric facilities.

"I'm staying at the New York Athletic Club," Mr. Apodaca said. "You can call them up. They'll veri-fy it. Look, I even have the room key io my pocket."

#### 15 Die in Mississippi In Dormitory Blaze

ELLISVILLE, Miss., Dec. 10 (UPI) - Fifteen persons died yes-terday in a fire that swept through a dormitory of a state mental retardation center, officials said, and 16 were injured.

Dr. Paul Cotten, director of the Ellisville state school, said the fire broke out around 2 a.m. in the Magnolia Dormitory which houses clderly mentally retarded women. He said that, although the fire was oor large, it created a lot of smoke and all 15 died from smoke inhala-

The policeman looked at the key and then slowly moved toward a

telephone. Five minutes passed, and Mr. Apodaca could see the officer in animated conversation on the phone. He thought this really can't be happening — not again. Barely one year ago, while visiting Tokyo, he had got lost while jogging around the Imperial Palace. When he tried to get assistance from some passers-by, he found they spoke no English, and whoo he finally made himself understood he found they

had never heard of New Mexico. The policeman returned from the telephone booth,
"All right," he said, "We'll take

you there."

Jerry Apodaca was guided into the patrol car and taken to the New York Athletic Club on Central Park South.

"I guess maybe I just wasn't meant to jog in big cities," the Democratie governor of New Mexi-

U.S. Crash Kills 4 on Bus

ROBY, fexas, Dec. 10 (UPI) -A tractor-trailer bit a school bus on a rural highway Friday, killing 4 high school students and injuring 22. The bus was virtually cut in

#### U.S. Rushed to Decision in 1950s On A-Test Site, Documents Imply

SALT LAKE CITY, Dec. 10 (AP) - U.S. government documents iodicate that the United States decided on a Nevada site for aboveground atomic testing in the early 1950s despite concern about the effects of radiation downwind of the site, the Salt Lake City Deseret News reported Friday.

The Utah newspaper said that previously classified minutes of Atomic Energy Commission (AEC) meetings and National Security Council memorandums indicate that President Harry S Truman, pressured by the Chinese entry into the Korean War, approved the use of the Nevada site just 34 days after the National Security Council ordered the AEC to make a site-selection study and recom The first atomic test at the Las Vegas-Tonopah bombing and gunnery range took place Jan. 27, 1951, following Truman's ap-

proval of the site on Dec. 18, 1950. The site was approved before a U.S. Army Corps of Engineers survey of the site was completed and without a study of safety factors, the Deseret News said, During the next 12 years, at least 26 nuclear explosions at the site

produced measurable radioactive fallout in southwestern Utah. Residents of some southwestern Utah and northern Arizona communities have contended that the fallout was responsible for a number of cancer cases in the area.

Stolichnaya and Moskovskaya. Only vodka from Russia is genuine Russian vodka.



#### **News Analysis**

### Rhodesia Raids Achieve Little in Zambia

By David B. Ottaway LUSAKA, Zambia, Dec. 10 (WP) - There is little evidence that the

Rhodesian bombing raids deep into Zambia in the last month have seriously hurt the guerrillas or are likely to prevent them from stepping up their efforts to topple the whiteled Rhodesian government. At the most, the Rhodesian strat-

egy of taking the war into Zambia may slightly delay the guerrillas' yearly rainy-season offensive, which eustomarily begins in December.

The Rhodesian bombings appear to be hardening the attitude of both guerrillas and Zambians. Spokes-men for the Zimbabwe African People's Union (ZAPU) based bere insist that the raids have only spurred their determination to hit back harder inside Rhodesia.

The Rhodesian raids are reported here to bave resulted in the death of about 1,000 nationalists. of whom probably less than half were battle-ready guerrillas; 700 to 800 guerrillas were wounded.

Despite the bombing of half a dozen guerrilla camps and supply centers, the Rhodesians do not seem to have succeeded in destroying significant amounts of arms or ammunition. However, they are cripple the guerrillas' communication system and gave them new problems to worry about, such as the defense of their camps.

#### **New Pressures**

Probably the most serious consequence of the raids, whether intended or not, has been to further destabilize the government of Zambian President Kenneth Kaunda, which was already in deep economie and financial trouble.

The raids showed how vulnerable and defenseless Zambia is, and created new pressures on Mr. Kaunda, the African leader who has shown

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At the time of the attacks, the guerrillas went out of control, challenging the Zambian government's authority. This prompted speculation that Zambia was becoming another Jordan, where Palestinian uerrillas in 1970 became a virtual state within the state, fighting pitched battles against the Jordani-

an Army.

Zambia is still far from this. But guerrillas did take the law into their own hands around their camps, ar-resting and interrogating white farmers and shooting at low-flying planes. At one point, Zambian au-thorities closed Lusaka's international airport for fear the guerrillas were going to hit passenger planes.
Western observers here believe

that the Rhodesians had several objectives in taking their attacks to guerrilla camps on the outskirts of

 Upset the rainy-season offen-sive by ZAPU guerrillas, who were expected to infiltrate large numbers of trainees into Rhodesia.

 Put pressure on ZAPU leader Joshua Nkomo and Mr. Kaunda to negotiate with the transitional, biracial Rhodesian government for some kind of settlement on terms of less than total Rhodesian surrender; or at least bolster the ever-

down on nationalist activities here. It does not appear that the Rhodesians have achieved any of these objectives. Even had they killed one thousand trained guerril-las, they would have destroyed only a tenth of those in Zambia and a

smaller portion of the total force. If the Rhodesian raids into Mozambique in the last two years are any example, it is unlikely these will appreciably slow down the and refugees in Mozambique, where they are based, the Zim-babwe African National Union

the most restraint and willingness to talk directly to Rhodesian Prime Minister Ian Smith.

tionalist force, has grown steadily and taken more Rhodesian territory under its control.

Nor is there any sign that the Rhodesian attacks have "softened" Mr. Kannda's attitude toward negotiations, or convinced him to pressure Mr. Nkomo into reaching a compromise with the government of Rhodesia. Recently, Mr. Kaunda said he saw no bope for new negotiations now, and no choice for the guerrillas bot to intensify their armed struggle "until the final blow has been delivered to Smith."

As for driving a wedge between the guerrillas and the Zambian gov-ernment, the Rhodesian raids may have done just the opposite. By killing Zambian soldiers and civilians, the invading Rhodesians have angered Zambians and brought home to them as never before that the Smith-led transitional government is a direct danger to Zambia as well as to the guerrillas.

The result has been to increase public demand that Zambia buy more arms and defend itself better. Some Zambians are suggesting that Zambia should strike at targets in

#### Rift Potential

Still, there is the potential for a rift between the government and the guerrillas. The guerrillas are in-creasingly feeling their strength and weakening Rhodesian negotiating position.

• Drive a wedge between ZAPU and the Zambian government, and convince Mr. Kaunda to crack down on nationalize activities have after the Rhodesian attacks,

#### Presidential Election

LUSAKA, Zambia, Dec. 10 (AP) - His popularity eroded by an economic crisis and the spillover from the guerrilla war in Rhodesia. President Kaunda seeks re-election by his country's 2 million voters Tuesday for another five-year term in

guerrilla war. Despite the death of more than 2,000 of their guerrillas Zambia since independence in 1964, maintaining relative harmony among 73 tribes. Voters will also be babwe African National Union ehoosing members of the 125-seat (ZANU), the other Rhodesian na-

## S. Africans See Turnout As a Defeat for SWAPO

By John F. Burns

Dec. 10 (NYT) — At this remote DTA.
tribal settlement in the semidesert Sou of the people are illiterate and all propaganda defeat for SWAPO, but a handful live in thatched huts, Few tribesmen would disc goat herders have opinions about

vute, 47, who lives with his wife sandy flatlands dotted with shrubs. and seven children in one of a small palm trees and dried-up river beds eluster of huts 15 miles from here. — the guerrillas say they have tak-

he voted in the election that South ments. Africa staged last week and the United Nations has dismissed as illegal. The world body is pressing. with Western support, for internationally supervised elections next year to lead the territory to independence as the black nation of Namibia.

Many of Mr. Shivute's companions commented to reporters in similar words, suggesting that they could bave been tutored for the occasion. But the vehemence of the tribesmen suggested that the feeling toward the United Nations was their own, even if the way they expressed it was not.

#### Two Groups

Goat herder Shivute and his companions met reporters flown in by South African Army helicopter from a military camp at Ondangua, 85 miles east of here, on a tour of Ovamboland. With more than half of South-West Africa's 750,000 blacks, it has become the center of the struggle over the territory's

The contest has boiled down to one between two groups: an alliance between whites and black tribal leaders that is backed by South Africa, and the South-West Africa People's Organization (SWAPO), which has formal UN endorsement. In the past, private surveys have indicated that SWAPO had the support of as much as 40 percent of the black population in the territory. Church groups active in Ovam-boland, where the nationalists

claim their strongest support, put the figure at 70 percent. The surveys indicated 35 percent support for the South African-backed group, the Democratic Turnhalle Alliance (DTA).

The trend in the elections appeared to run against the unoffi-cial soundings. Although SWAPO boycotted the balloting, South African officials say that 81 percent of

#### of polling which ended on Friday. The turnout in Ovamboland was said to be only slightly less.

the territory's 439,441 registered voters cast ballots in the five days

Officials Pleased The elections were for a 50-member constituent assembly. The re-sults are expected to be announced by Dec. 18. Observation at polls along a 100-mile arc close to the

Angolan border suggested that

TSANDI, South-West Africa, most Ovambo votes went to the

South African officials were of Ovamboland, where two-thirds quick to call the voter turnout a Few tribesmen would discuss

SWAPO, which has conducted a the United Nations.

"The people at that place must leave us alone," said Joseph Shi-hospitable terrain—vast reaches of Mr. Shivute, barefoot, spoke as on root in thousands of tiny settle-

South African officers deny this, saying that no more than 300 of an estimated guerrilla force of 5,000 are in the territory at any time, and that most spend only a day or two before returning to sanctuaries in

Angola.
South Africans do not try to hide their backing for the DTA. Tribal government trucks, said to have been offered to all parties, ferried supporters of the alliance to the

#### Radio Warnings

In broadcasts heard on transistor radios that are the household pride of many tribal families, SWAPO leaders pressed their boycott demands. Peter Kalangula, education minister in the tribal government, said that the guerrillas had changed to civilian clothes in recent weeks and had been circulating among the people saying "We will be there at the polling stations watching you, and we will deal with

Abed Tomas, 63, a bodyguard for a tribal chief at Olukunda, east of Ondangua, said be hoped that SWAPO would accept the voters' message and stop the war. Tribes-men have been the principal vic-tims of the killing, with 55 Ovambos blown up by mines this year and several hundred children taken away to guerrilla training in Angola. "I think they must see bow we feel and stop fighting." Mr. Tomas said, leaning on his shotgun outside the local polling station.

#### Clash Near Border

WINDHOEK, South-West Africa, Dec. 10 (AP) — South African officials said that the elections passed relatively quietly. After two bombs had gone off in Windhoek last weekend, another blew up in a fuel storage depot on Tuesday. No

South African forces reported killing five of about 20 guerrillas in clash near the Angolan border on Wednesday.
Five leaders of the internal wing

of SWAPO were arrested last week-end. Another SWAPO leader in Windhoek, Jason Angula, said on Friday that if free elections were not held next year, the organization would call on Cuba and East Germany for help.



#### **News Analysis**

### U.S. Trade Shaky in Soviet 5-Year Plan

By Kevin Klose

MOSCOW, Dec. 10 (WP) — A relaxed, jovial Leonid Brezhnev told U.S. officials and businessmen at a Kremlin dinner last week that the Soviet Union is now preparing its next five-year plan of national economic development for 1981 through 1985 and can see a big place in it for the Americans.

It was the kind of statement that any businessman looking for new markets and new profits would love to bear. But was it anything more than polite talk from an expansive

The Russians have submitted to the Americans a list of 28 industrial projects, ranging in size from a \$7.5 million factory in the Moscow sub-urbs to produce Levi Strauss blue jeans, to a mammoth steel-rolling complex costing up to \$400 million, with Armoo Steel Corp. as the prime contractor.

The unofficial U.S.-U.S.S.R. Trade and Economic Council, a bilateral group seeking to improve U.S.-Soviet commerce, estimated that if all the projects were approved, it could mean, at minimum, an additional \$10 billion of increased trade for the United States and would create thnusands of new U.S. jobs.

But well-informed sources in the

causescu yesterday assured Presi-

dent Carter's special envoy. Treas-

ury Secretary Michael Blumenthal,

that the Soviet Union bad applied

no perceptible pressure on Romania since the start of the Sovi-

et-Romanian confrontation two

Mr. Blumenthal met for 90 min-

utes with the Romanian leader at

Communist Party Central Commit-

tee headquarters to convey a per-

sonal message of support from

Later, in an airport news conference before his departure for Wasb-

ington, the secretary said that he

had conveyed Mr. Carter's "appre-ciation for the constructive role

that President Ceausescu is playing in a number of areas in which there

are common interests between the

two countries — in promoting peace in the Middle East, the sup-

port he is getting from President Cesusescu in his effort to bring

about disarmament, to limit arma-

and arms limitation has disguised

much of the present confrontation

between Romania and the Soviet

Union since its start two weeks ago

at the Warsaw Pact summit meet-

ing in Moscow. Mr. Ceausescu refused to agree to Soviet demands for greater integration of the War-

saw Pact command and an increase

Sharp Criticism

Last week, Soviet President Leonid Brezhnev sharply criticized any attempts by a single Warsaw

Pact country to engage in any sort of "unilateral disarmament."

might quickly escalate beyond such verbal abuse that led President

Carter to decide last week to divert

Mr. Blumenthal from Bonn to

It was a bold gesture that many

Western diplomats here felt might

prove counterproductive - both

for Romania and for the United

States. For the United States, such

interference could have serious

Bucharest.

It was fear that Soviet retaliation

in Romanian defense spending.

Such rhetoric of disarmament

ments, achieve a SALT agree

and in a variety of other areas."

President Carter.

Ceausescu Tells U.S. Aide

By David A. Andelman

Union.

"something of a test of American intentions." Vladimir Sushkov, deputy foreign trade minister, said at a news conference that the list was a "preliminary one, to demon-

strate the desire of the administra-tion to meet us half way."

The U.S. delegation, headed by Treasury Secretary Michael Blumenthal, talked for two days with the Russians. Three projects on the list have been approved by the United States, including a factory for tires for earth-moving equipment. The plant is valued at \$80 million, of which U.S. companies

will share a sizable portion.

The other projects provide a kind of rough indication of what the Russians feel U.S. industry can offer them and what they need to continue modernizing an economy

whose growth rates have fallen con-sistently through the 1970s.

Some are within relatively easy range of possible agreement, such as assistance with Soviet tobacco production. Others are probably years away, due to Soviet shortages of hard currency, and shifting national priorities, or to U.S. concerns over transfering technology that could eventually aid Soviet defense industries or otherwise harm U.S. national interests.

Among the prosposals suffering

arriving in Bucharest, Mr. Blumen-

thal met with Brezhnev in Moscow

in an effort to speed up the im-provement of relations between the

United States and the Soviet

these relations have been slowly on

the upswing But Western diplo-mats believe that flying almost di-

rectly to the East European country

most directly challenging the Soviet

Union could be seen as a grave in-sult in Moscow. Mr. Blumenthal

'Possible and Desirable'

consistency at all in these two missions," he told the news confer-

ence. "We believe that it is possible

and desirable for countries to have

different social systems and differ-

Later, in a background briefing the U.S. official said that Mr. Blu-

menthal had neither been asked for

nor offered any specific assurances

of U.S. assistance should the Soviet

and Mr. Blumenthal centered on

furthering the economic relation-

ship between the two countries. "It

was not in terms of 'if they [the Soviet Umon] do that, will you [the United States] do this?" "the U.S.

At his news conference, Mr. Blu-

menthal said the goal was to in-

crease two-way trade with Romania

to \$1 billion by 1980. Such an in-crease — more than 50 percent over

the present figure of about \$600

million — would help to take up any slack, should the Soviet Union

decide to impose a trade embargo by itself or in concert with other

fact that we were talking about in-

creased trade and increased eco-

with us but with other countries as

"By implication, obviously, the

Warsaw Pact countries.

The talks between Mr. Ceausescu

ent international relations."

Union decide to retaliate.

official said.

"I don't believe there is any in-

refused to see it in this light.

The Carter administration says

U.S. delegation described the list as from Soviet economic priorities are understood to be a plan to modernize the Moskvich auto plant with the help of General Motors to produce up to 250,000 new-model passenger cars a year, replacing the outmoded present Moskvich. The Soviet auto industry now makes about one million autos a year. principally from a gigantic Fiat plant

Among the projects sure to have political implications in Washington are several for speeding Soviet production of oil and gas. Although the Carter administration takes the position that it supports increased oil exploitation, some members of Congress oppose U.S. aid to expand Soviet oil and gas production.

The Russians have established ambitious goals for increased work-place efficiency and productivity in 1979. But few analysts here see how these goals can be achieved, and if they fall short, it will be impossible to fulfill the economic expansion outlined in the current 1976-80 five-year plan. Soviet heavy-industry production is targeted to rise 5.8 percent, compared with 4.7 per-cent this year, and light-industry consumer-goods production is to rise 4.6 percent, compared with 3.7 percent this year.

Increased labor productivity must achieve a 4.7-percent rise to reach these economic-expansion goals, but this crucial category of economic efficiency fell below even the 3.6-percent goal set for this

#### Virtually impossible

BUCHAREST, Dec. 10 (NYT) — consequences for the ongoing talks Romanian President Nicolae on strategic arms limitation and other important issues between the two major powers. Two days before

The Soviet attitude toward trade esting one. Although they want the restrictive Jackson-Vanik amendworry about.

ple, Dzhermen Gvishiani, the sonlaw of Premier Alexei Kosygin, maintained with the public she had told reporters at his State Committee of Science and Technology that U.S.-Soviet trade was "less than two-hundredths of 1 percent" of our gross national product, so it is

of little concern, really."
U.S. sources in the Blumenthal delegation said that after the two days of talks, they bad concluded that the Russians want Jackson-Vanik repealed as much for symbolic as for practical reasons.

#### 'No Connection'

Mr. Sushkov was asked last week what concrete steps on emigration the Russians were prepared to take to help improve the future possibil-ity of repealing the measure. He said there was "no connection" between emigration and trade, and that the amendment had been a "failure." Later, he said that the Jackson-Vanik amendment, because it makes trade conditions "uncertain," should be repealed.

For the Americans, whose trade

will top \$2 billion with the Soviet Union this year in both agricultural and non-agricultural goods, U.S.-Soviet commerce has never fulfilled the promise of the early years of detente. That is clear. What is still unclear is bow far the Russians are willing to go - or can go - in improving their own performance on trade to insure that there indeed will be a U.S. role in the next five-

#### Crash in Italy Kills 4 nomic relations provides greater flexibility," the U.S. official concluded. "But they do that not only

MATERA, Italy, Dec. 10 (AP) -Four persons were killed and 13 injured yesterday; when a truck col-lided with a bus near here.

Regional Ambitions Are Feared

# Vietnam Loss of Prestige Seen in Cambodia War

By Henry Kamm

and its estrangement from China, according to officials of the region's non-Communist nations and to Western diplomats.

Until the war was acknowledged on the last day of last year. Viet-nam was feared and respected, these sources say, but now it is only feared. The fear is inspired by suspicion that Vietnam, Southeast Asia's major military power, harbors ambitions of regional dominance. The war with Cambodia has reinforced them.

The respect came from Viet-nam's victories over France and the United States, its reputation for ruthless efficiency in welding the northern part of the country into a totally dedicated war machine, its fierce will for independence and national dignity and its diplomatic skill in drawing boundless material support from both the Soviet Un-

approval of much of the world in its war with the United States. **Perceptions Changed** 

ion and China while staying out of

either's camp. It also won the moral

Those perceptions have pro-foundly changed in the last year. Moreover, Vietnam's increasingly close ties with the Soviet Union, ratified last month in a friendship and cooperation treaty with a mili-tary clause, have added an extraneous but vital factor. When Deputy Premier Teng Hsiao-ping of China visited Thailand, Malaysia and Sin-gapore last month, his argument that Vietnam represented a Soviet Trojan horse in Sontheast Asia was well received.

In the Southeast Asian view, China is an unavoidable long-term threat. The Soviet Union, however, is regarded as a menacing power that had little success in establishing a foothold in this region until emam fell into its embrace.

The decline in Vietnamese presnge began when it became evident that the badly regarded Cambodian Army — outmanned and out-gunned — was able to withstand a major Vietnamese onslaught last winter and has since not only kept Vietnam at bay but also seriously disrupted the Vietnamese reconstruction program by forcing Hanoi to divert manpower and resources to the border war.

China's violent reaction against Vietnam, culminating in June in a halting of all economic assistance and in the departure of tens of thousands of ethnic Chinese from Vietoam, was viewed here as indicating that Vietnam had lost the diplomatic edge that had enabled it to deal with both Peking and Mos-cow through three decades of war.

While the growing conflict between two potential enemies caused

BANGKOK, Dec. 10 (NYT) — nations to breathe easier, it also victnam's prestige in Southeast Asia has been the principal casual-ties border war with Cambodia communist superpower rivalry, with both the Source University. Communist superpower nivelry with both the Soviet Union and China seeking support for their causes. Until that point, the Asian nations had skillfully avoided such traps, playing host to visits by Pra-mier Pham Van Dong of Vietnam

and Mr. Teng. Vietnam's increasing diplomatic isolation caused it not only to count the region's non-Communist ma-tions but also to pursue the friendship of its former enemy, the Unit.

Vietnam has also conceded diffi. culties in integrating the conquered South into a political, economic and social system as disciplined at that of the North, and this has not enhanced its standing. Continuing reports of the spread of souther corruption among northerners, and of defections and descritons, have wide currency in the non-Commonist countries and are interpreted as proving a decline of the govern-ment's hold over its enlarged terri-

Although the non-Commun countries are at pains to avoid the ing sides in the conflict between the Communist powers, Chana has been the principal beneficiary of the decline of Vietnamese standing. Most informed Asians believe that Hanoi realizes this, and they hope that the realization will serve as r deterrent to any plans by Vietnam to force Cambodia under its domi-

While no Asian country ap proves of the harsh regime of Pre mier Pol Pot in Phnom Penh, the prefer an independent Cambodi to one under Vietnamese rule. The consensus of Asian officials is the a strong Chinese stance, if Vietnan invaded Cambodia in force, work find general approval throughou the region.

#### Vietnam-China Sea Clash

BANGKOK, Dec. 10 (AP) Vietnam and China today reporter ... a clash at sea yesterday off north: ern Vietnam, but they gave widel differing accounts of the circum

A Voice of Vietnam broadcas in 1,1112 said that five Chinese vessels an rounded a number of Vietnamen half [ res fishing boats and fired on their damaging the boats. It said the letnamese patrol boats fired in re taliation and drove the Chines back to their waters.

The Chinese news agency report ed that Victnamese vessels attacker two Chinese fishing boats in the Gulf of Tonkin, killing a fisherman and wounding two. The agend said that the boats were fishing d Paisuyen island, when they we encircled by five Vietnamese ship and one of the ships fired on the Chinese boats with light machin.

# Each year during this five-year Israelis Mourn Mrs. Meir; Millen Israelis Mourn Mrs. Millen Israelis Mourn Mrs. Meir; Millen Israelis Mourn Mrs. Millen Israelis Mourn Mrs. Meir; Millen Israelis Mourn Mrs. Millen Israelis Mourn Mrs. Millen Israelis Mourn Mrs. Meir; Millen Israelis Mourn Mrs. Millen Israelis Mourn Mrs. Millen Israelis Mourn Mrs. Millen Israelis Mourn Mrs. Millen Millen Millen Millen Mourn Mrs. Millen Millen Millen Millen Millen Millen Millen M It is now virtually impossible for them to make up all the ground lost and come out even with the 1980

JERUSALEM, Dec. 10 - Israel with the United States is an inter- today mourned the former prime minister it knew by her first name. As world figures made plans to ment repealed, they also assert that attend the funeral Tuesday of Gol-U.S.-Soviet trade is so insignificant da Meir, prime minister from 1969 it does not amount to enough to to 1974, Israeli leaders praised her as a shaper of the nation's destiny In a recent interview, for exam- while ordinary citizens recalled the warm, human touch she always

> [Israeli officials said that Mrs. Meir's death and the funeral would inevitably lead to a delay in the proposed resumption of the stalled Egyptian-Israeli peace treaty negotiations, wire services reported.) Neighbors stood with tears in their eyes outside the modest apart-

served.

ment at 8 Baron Hirsch, m a Tel Aviv suburb, which Mrs. Meir had owned for the last 20 years of her This is the first time I've come

to see Golda," said a friend who stopped by, "and there is no Golda."

#### Kibbutzniks Gather At Kibbutz Revivin, in the

Negev desert of southern Israel, where Mrs. Meir also had a small apartment, a group of kibbutzniks stood in a circle, their eyes cast "Death is the fate of everyone," a

middle-aged man said. "But deep in my heart there's sorrow for two things. One. This brave, strong woman didn't get to see the days of peace. And two. There were many things she wanted to do as a mother and a grandmother that she didn't get to do."

"She spoke to everyone the same way," said Simcha Dinitz, Israeli ambassador to the United States and formerly Mrs. Meir's political secretary. When she spoke with workers or with prime ministers she was the same. She always said what she thought."

On Oct. 3, shortly after Mrs. Meir had an operation, she sent a letter to the Labor Party that she

By Dial Torgerson

had once led. Her son, Menachen a cellist, read it to newsmen yeste day at his apartment, next to hi "Before my recent serious open tion," Mrs. Meir had written, wrote to my family informing the

I did not wish to have any culog

said for me and nothing named my memory. "I do not know if the family received the letter, because the of eration was successful. I am then fore repeating this last request: Id not want any eulogies or to have

anything named in my memory."

The letter was treated as her will and, as it asked, there will be a eulogies at the services at the N tional Cemetery on Mount Hezz

overlooking Jerusalem.

Jewish religious law requires the services be held before the sunset? the day of a person's death, unle there are unusual circumstant Mrs. Meir's funeral was postpone because of the number of interne tional leaders and friends who wi fly to Israel.

Prime Minister Menache Begin, who received the Nob Peace Prize in Oslo today, will back in Israel in time. Lillian Carter, the mother President Carter, will head the U.

delegation. Secretary of State Cyrt Vance is also expected. Doctors at Hadassah Hospita where she died Friday, said the Mrs. Meir suffered from lymph ma, a cancer of the lymph glands

Mrs. Meir's doctors, Prof. & mann Mann, director of the hos tal, and Dr. Aharon Polliack, s the disease had been diagnosed years ago, but had gone into a ren'ission during the years when st was prime minister and could m have affected her performan

"During her final week in the hospital she fought with the san courage as she fought larger enemies," Dr. Politack said.

O Los Angeles Times



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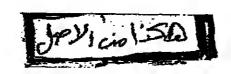








WIEN HILTON A fine hotel, reflecting the imperial magniticence of old Vienna, adjoining the air terminal in the heart of the city. Luxurious rooms much of it in the Art Nouveau style – make



#### **Obituaries**

## Harry Winston, Jeweler, Gave Hope Gem to U.S.

Admirers named newly found hirds after Dr. Wetmore including the fact of the Smithsonian Insti-

many desirable once said. It's a concernal many thing world. It has everything — people, and which world in an romance, precious stones, the world bespeculation, excitement. What

the North Mespeculation, excitement. What the North Mespeculation, excitement. What the North Mespeculation, excitement. What it is standard to the Mespeculation and the Mespeculation and the Mespeculation and the North Mespeculation and the Prince, and came to be considered affiling and had back for its possessors. It was inine, and a had luck for its possessors. It was included a defined acquired by Mr. Winston from the bellower had been walsh McLean estate in 1949. Because of his gift of this man the beauty of the series to the stone, as well as of other gems, to the limit he Smithsonian, he was awarded the trafficus James Smithson Medal earlier

calling the girth it by registered mail — a habit training he followed throughout his career.

I have the States mails, who can you trust?"

he asked.

the harder Wetmore 1931 when he was a second of the harder Wetmore, 92, second in 1931 and in 1935.

He became literary editor of the harder Wetmore, 92, second in 1931 and in 1935. WASHINGTON, Dec. 10 (NYT)

The Mary Dr. Alexander Wetmore, 92, secmich Industriary of the Smithsonian Institution from 1945 to 1952 and a spelance unfaitst on avian evolution, died Cambala striursday at his home in suburban

Dr. Wetmore enriched the musem's collections with 26,058 animal and bird skins from Central, North KOK, Re and South America and contribut-ind Changed descriptions of 189 new species at a reason subspecies of birds. He also that the bilected 201 clutches of eggs and the many 4,363 skeletal and anatomical spec-mens.

# Held in Hamburg

the tous HAMBURG, Dec. 10 (AP) and discresserday after police broke up an harmonic legal demonstration by an estiattention is now of Shah Mohammed Reza h haber shlavi of Iran.

Police spokesmen said the deminant we instrators gathered amid Christmartreet. The spokesmen said some of ... In labe demonstrators threw large tacks in the street, hindering police cars ... with that were called to the area.

MOTH

a long-billed rail that inhabits the Venezuelan coast. Rallus Wetmorei.

In the long interpretation 20 years ago, died Friday of morei.

In the long hartan.

It is the long behavior. Winston, was said to have the long behavior to the world's largest independent gem firm, which has been society's Committee for Research and Exploration from 1937 until society's Committee for Research land in New York for 50 years. A land in New York for 50 years. A

first government position with the Biological Survey, which was then a bureau of the Department of Agriculture. He studied the food habits of North American birds.

An authority on avian osteology and paleontology. Dr. Wetmore wrote "A Classification for the Birds of the World," which has gone through several editions.

He wrote scores of technical papers and published many larger works, including three volumes of "The Bird of the Republic of Panama," with a fourth volume in preparation to be published

#### Robert Cantwell

NEW YORK, Dec. 10 (UPI) -Robert Cantwell, 70, a novelist and former magazine editor, died Fri-day, two weeks after a beart attack. Mr. Cantwell, who was born in Vader, Wash, won acclaim for two

literary editor of Time. After World War II, he wrote a biography of Nathaniel Hawthorne and in 1949, oined Newsweek as literary editor. In 1961, be became senior editor of Sports Illustrated and after his retirement in 1973, was a special con-

#### Price Day

tributor for the magazine.

BALTIMORE, Dec. 10 (AP) -Price Day, 71, a Pulitzer Prize winner for distinguished international reporting and former editor in chief of the Sunpapers, died here

vesterday. A native of Plainview, Texas, who retired in January, 1975, Mr. Day was a foreign correspondent for 15 years, and covered stories including the German surrender at Reims, France, which ended World War II in Europe.

#### Fausto Tozzi

ROME, Dec. 10 (AP) - Veteran movie actor Fausto Tozzi, 57, who starred in many Italian and



REFUSE REFUSED — Garbage piles up near Rome's Trevi Fountain Saturday on the first day of the city's most recent strike by garbage collectors. The strike, scheduled to last three days, came two days after a similar stoppage.

## British Journalists' Strike Cuts Flow of News by Half

British newspaper readers got sparse fare last week.

Depression-era novels, "Laugh and Lie Down," which was published in Following the indefinite suspension of The Times of London, nearly 1,200 provincial papers have been struck by the National Union-of Journalists. Only a handful have closed, but many are printing little more than advertisements with the

> throughout the nation have had trouble getting other papers since the Times closed Nov. 30 in a labor dispute. Some of the other better-known papers, such as the Guardian and the Daily Telegraph, are re-luctant to risk the unions displeasare by printing extra copies.

No progress has been reported in the dispute at the Times, which involves new technology and manning levels and new procedures for serling shop-floor disputes.

The provincial journalists' strike

has closed two daily papers, the Belfast Newsletter and the Morn-ing Telegraph of Sheffield. A union spokesman said that several week-lies had been blocked by drivers

who refused to deliver the papers.
The strike affects about 1.110 weekly and 70 daily papers in England, Wales and Northern Ireland. Reporters for Britain's uational news service, the Press Association,

Part of Gulf Air's new world.

LONDON Dec. 10 (NYT) - bers of another union, the National Graphical Association, are refusing to handle much of the copy produced by Press Association reporters out of sympathy for the journalists' union strike. This means the provincial papers are getting only half the usual amount of news

The journalists' strike is mainly barest news coverage. over pay, British provincial journal-Times readers in London and ists are among the lowest paid in over pay. British provincial journalthe West

The Newspaper Society, which represents 260 newspaper managements that control most of the pro-vincial papers, says that the average pay for senior provincial journalists those with two years experience or more — is about \$170 a week. The union, however, says that most earn less than \$150 a week.

Wages on the national papers in Fleet Street are considerably higher but not as high as on comparable papers in the United States. But wages in most fields are lower in Britain than in the United States.

The journalists union is demanding an increase of about \$40 a week across-the-board for its pro-vincial inembers. The Newspaper Society has offered an 8.8 percent increase, varying from about \$8 to \$27. But even that would have to be specially approved by the government because it exceeds the official 5 percent limit on pay increases.

One Unexpectedly Transmits Briefly After Landing

# U.S. Probes Radio Back Data on Venus Atmosphere

space probes dropped through the thick, searing atmosphere of Venus and crashed on that alien surface yesterday, but not before radioing the planet where they were to back to Earth reams of information about the planet's strange envelope

of gases.
To the amazement of NASA project officials at the Ames Research Center here, one of the 200pound probes survived the impact of landing and continued to transmit measurements back to Earth for more than an hour.

None of the probes was designed for surface operations, since their principal objective was gathering nformation on Venus' atmosphere.

This they did almost to perfection during a nearly hour-long dive through an atmosphere that is thought to be 97 percent carbon dioxide, contains clouds made of sulfuric-acid droplets, has temperatures as high as 900 degrees Fahrenheit and exerts a pressure on the surface about 90 times that on the surface of Earth.

'Hard to Believe'

"It's hard to believe that everything worked so perfectly," said an obviously pleased Charles Hall, the manager of the Pioneer Venus

Five days ago, the first Pioneer spacecraft, called the "Orbiter," went into orbit around the planet and trained its dozen scientific instruments on the upper part of the Venusian atmosphere, above an 11mile thick cloud layer surrounding the planet.

Yesterday, it was time to take a vertical profile of the atmosphere beneath those clouds. This important phase of the planet's exploration was given to the second Pioneer spacecraft, called the Pioneer Venus Multi-Probe.

Multi-Probe consisted of five

#### **Retired Officer** Killed in Spain

BILBAO, Spain, Dec. 10 (AP) — A retired army officer was shot to death yesterday in the first outburst of violence in northern Spain's Basque region since the nationwide referendum on the new constitution

on Wednesday.

The victim, Vicente Rubio Ereno, 61, was gunned down by a hooded man while sipping a prelunch drink at a bar in Santurce, a fishing town north of here. Another man at the bar was hospitalized with serious chest wounds.

Police promptly blamed ETA the Basque separatist organization. Mr. Rubio and his wounded companion. Juan Cruz Gonzalez, were said by associates to be linked to extreme-right groups.

MOUNTAIN VIEW, Calif., Dec. parts: a single, '700-pound "Soun-10 — Five instrument-bearing U.S. parts: a single, '700-pound "Soun-space probes dropped through the pound probes (designated "Day," on the structure of the atmosphere, thick, searing atmosphere of Venus "Nighl" and "North," the names coming from the impact areas on

crash); and the spacecraft "Bus." The Bus, which carried the four probes on its back like an automobile transporter carrying new cars, had two devices with which to make measurements on the composition of the upper atmosphere. Lacking any protection against the friction of atmospheric entry, the Bus simply burned up about two minutes after it struck the top of the Venusian atmosphere.

The Sounder, Day. Night and North probes were equipped with

The Sounder probe, which landed near the planet's equator on its daylight side, contained seven instruments to record the composition of the atmosphere and cloud layers, as well as noting tempera-tures, pressures, densities, wind

clouds and sources of radiant ener-

from the Bus last month, while the

Communists in Italy

#### Affirm Independence ROME, Dec. 10 (UPI) - Italy's powerful Communist Party yester-day reaffirmed in a communication

to Moscow that Western Europe cannot accept the Soviet path to socialism. The West's largest Communist

party, which supports the weak Christian Democratic Cabinet of Premier Giulio Andreotti, reaffirmed its Eurocommunism line of independence in a draft for its 15th party congress in March. The document, apparently meant to reassure Washington and Italy's democratic parties, also said that the Commuflows and heat variations.

The Day, Night and North nationalize the entire economy.

combined vehicle was still about six million miles from Venus. They began penetrating the planet's atmos-

here yesterday morning. During their descents, all of the probes returned "excellent, beautiful data," in the words of the NASA spokesman in the control

center here. The Day probe, which landed in the mid-latitudes on the sun side of the planet, continued radioing back measurements on the atmosphere for 67 minutes and 47 seconds more. "We are getting the whipped cream on the cake," said project manager Hall.

The reception of signals from Venus back here on Earth was no easy task. At the Santiago tracking station, Chilean Army units halted traffic on the nearby Pan American highway for three hours yesterday morning so that static from car and truck ignition systems would not interfere with the faint signals from Venus, about 34 million miles

> - GEORGE ALEXANDER th Lor Angeles Tunes

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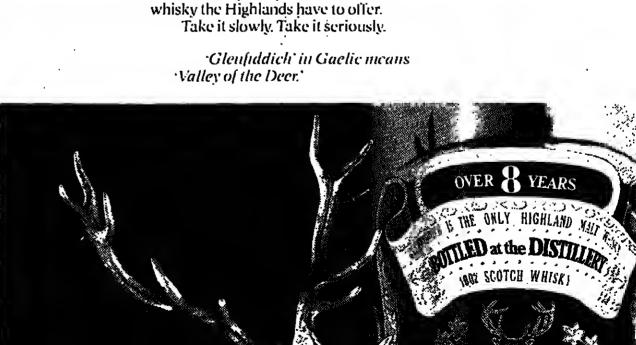
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#### voted narrowly 10 keep working in Spanish films, died here yesterday. defiance of their union. But mem-There's only one way to take Glenfiddich. Communications.

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Published with The New York Times and The Washington Post Page 6 Monday, December 11, 1978

# **Middle East Deadlines**

September -- Golda Meir.

Prime Minister Begin was in Oslo yester-day to accept half a Nobel Peace Prize. Io this matter, at least, we prefer President Sadat's sense of the fitness of things: work first, reward later. The work still undone is the treaty of peace that they solemnly vowed at Camp David three mooths ago to sign by next Sunday. As President Carter has coted. a great deal depends oo their holding to

More than ego trips, however, are causing the delay. Begin and Sadat threaten to miss this first deadline out of exaggerated respect for other deadlines. Sadat wants to avoid signing a peace that could mark him a traitor to the Arab cause; he asks a target date for negotiations on other fronts. Begin wants to avoid signing a peace that is cootingent on agreement with other Arabs; be rejects a time limit for progress elsewhere. Since both seem ready to destroy the timetable they already have, we suspect that dates as such are not the problem. Intentions are.

Sadat seems worried that once a peace is signed, the Israelis will rapidly lose interest in their own proposal to hold elections in Gaza and the West Bank as a step toward Palestinian self-rule. His concern can only be growing as he bears so many Israelis accusing Begin of giving away too much in the West Bank and as he observes a stiffening of the Israeli occupation regime there. Begin seems worried that once Egypt regains control over Sinai it will lose interest in building up the peace with Israel, especially if agreement with the Palestinians and Jordan proves impossible. His concern can only be growing as be bears other Arabs rejecting the Camp David formula and vowing retributioo against Egypt.

These are legitimate concerns, reflecting an asymmetry in the Camp David deal: a state of peace in return for captured land,

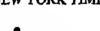
You can't fry fish in July with oil you get in September — Golda Meir. What Egypt gives can be revoked: what Israel yields can be regained only in war.

What made Camp David nonetheless possible was the recognition by both nations that a true peace between them could be only the start of a process, not the end. By the pending treaty, both seek to demonstrate that territorial issues can be resolved in return for a genuine acceptance of Israel by its neighbors and respect for its security problems. Even if Egypt remains alone in accepting this formula, the treaty will last as long as Israel is faithful to the equation — as long as Egypt can persuasively argue that other Arabs can avail themselves of the same deal. The treaty will fail, with or without a timetable for progress on other fronts, if Israel comes to be perceived as wanting only a separate peace with Egypt and as obstructing other negotiations.

The mistrust oow focused on the questions of linkage and deadlines was oot, however, born yesterday. It almost washed out Camp David and will not fade until real coexistence is achieved in the region. The Israelis are kidding themselves if they think the world will not hold them to a good-faith demonstration of the autonomy that has been promised to Arabs in the West Bank and Gaza. And the Egyptians are kidding themselves if they think that deadlines for negotiations with parties oot yet represented at the table are a guarantee of anything. A timetable of Israeli intections oo the other froots would be a useful reminder that this treaty cannot endure in isolation. But since Egypt could more easily wriggle out of the treaty once it bas its lands back, it is Sadat who should be moving the extra inch or two in the current dispute.

Above all, next Sunday's deadline needs to be met. Too many other parts of this treaty depend on commitments to a timetable. They will have been dangerously weakened if Sadat does not earn his balf of the Nobel prize before the week is out.

THE NEW YORK TIMES.



## The U.S. and Indochina

How can the United States best assure that its interests are not compromised by the new Iodochina war, which pits Vietnam, backed by the Soviet Union, against Cambodia, backed by China? Because Hanoi's ties to Moscow have been dramatically reinforced in recent months, the United States cannot be indifferent to a result that might not only alter the regional balance of power but also affect the Sino-Soviet rivalry. Yet Washington seems increasingly blind to a truth it should have learned through its own bitter experience in Southeast Asia: Hanoi is an independent actor, not a mere Soviet proxy.

Far from being simply a proxy war, the current conflict has its roots in Ho Chi Minh's dream of a federated Communist Indochina. Such a federation would inevitably be dominated by Vietnam. Hanoi already controls all of Vietnam and most of Laos; it stands to exteod its reach still farther in its war with militarily inferior Cambodia. The Carter administration worries about so much Vietnamese control and fears it as an extension of Soviet power. So while it rejects any thought of a new military intervention, Washington is said to be seriously considering a diplomatic tilt toward the brutally dictatorial Cambodians. And last week, the administration warned both Hanoi and Moscow that the fighting in Cambodia, coupled with Vietnam's increasingly pro-Soviet course, could imperil prospects for oormal

relations between Vietnam and the United

A tilt toward Cambodia would certainly please the Chinese, but American rhetoric cannot compensate for the military and political weaknesses of the Phnom Penh regime. It could, however, magnify the propaganda benefits for Hanoi and Moscow. Already they pose as the champions of human rights in Cambodia; should they prevail, they could claim triumph not only over Cambodia and China but also the United States.

And to Hanoi, the threat of delaying diplomatic normalization with the United States must appear empty; the Carter administratioo has been plainly unwilling to press a reluctant Congress to renew ties with Vietnam. Indeed, Hanoi's increased reliance oo Moscow took shape only after its bid for foreign capital oo hospitable terms failed to attract any development funds from the United

The best approach to Hanoi is through Hanoi, oot through Phnom Penh or Moscow. The United States and Vietnam have important issues to settle, including the problems of Vietnamese refugees. Vietnam's relations with its neighbors and its demands for American reparations. No leverage is to be gained for these negotiations by identifying ourselves with a Cambodian regime that President Carter himself has called the worst violator of human rights in the world today.

THE NEW YORK TIMES.

#### International Opinion

#### Golda Meir's Belief

The strength of Golda Meir's leadership came from the same source as ber weakness: Her view of the world and of Israel's place in it [was] in terms of the starkest blacks and whites. The sophisticates and cynics who have come to lead the world and shape its attitudes in the 1970s often nodded at the simplicity and seeming oaivete of her advocacy. But, as often, the sheer power of her belief succeeded to penetrating the shells of cynicism. The passing of great leaders should be a time, not for the eulogistic banalities, which Golda Meir detested and expressely forbade in her will, but for honest reflection and tribute.

— From the Jerusalem Post.

Her political life had been lived out in the Israeli Labor movement, which began as a self-sacrificing pioneer elite, grew into a privileged ruling class, and as such was eventually rejected by the Israeli electors. Although

Golda Meir preserved her frugal, modest way of life to the end, she was unable or unwilling to balt the process. Although brought up in the belief that socialism means peace and right-wing philosophies war, she lived to see the prize of peace oegotiations fall into the hands of a man whose ideas were anathema to her. She accepted it with good grace; country meant so much more to her than party or ideology. Her mourners will range far wider than political allies and committed pro-Israelis, for she enriched the world politicai scene.

— From the Daily Telegraph (London).

Eveo though she failed to see her greatest dream fulfilled - that Israel would be at peace with its neighbors — she was surely one of the most remarkable figures of our century. And a crushing answer to those who still proclaim that a woman can never succeed in the harsh arena of international poli-

- From the the Sunday Express (London).

#### In the International Edition

#### Seventy-Five Years Ago December 11, 1903

NEW YORK - The Chicago Tribune commented in an editorial: "Cuba is a part of the American political system and cannot be detached. That is well understood on the other side of the ocean. Cuba is as far beyond the reach of Europe as if she were an American State. So there is no need to annex Cuba yet, and she will come of ber own desire in good time. The Americans who have investments there may wish to see Cuba a part of the United States, but the natives do not appear to have the same wish yet. They seem to be having fun with living in a state of

#### Fifty Years Ago

December 11, 1928 NEW YORK - "Machine-Gun Louis" Wisbrod. who has built up a lucrative business selling Al Capone and other members of Chicago society the tools of their trade - semi-automatic machine guns, grenades and bullet-proof vests dropped in at police headquarters in New York with a view to broadening his market. Just checking if the police commissioner wants something useful and in good taste, Mr. Wisbrod said, adding. "I sell only to those with an O.K. from high police officials, and as we gangsters elect them, these O.K.'s are not very hard to

# "Let's Remember What We're Here For -To Keep Getting All Of Us Re-Elected" U.S. and 'Guaranties' for Israel By James Reston

U.S. House Of Representatives

DEMOCRATIC CAUCUS

WASHINGTON — In the long and agonizing negotiations for some kind of peace agreement in the Middle East, we have now come down to a really critical

President Carter is obviously irri-tated with both President Sadat of Egypt and Prime Minister Begin of Israel for fussion over what he re-gards as minor objections to the Camp David accords, which he worked so hard to achieve.

"There bave been unwarranted delays," be told reporters the other day. "quibbling over what seem to us to be insignificant language dif-

three-month limit on negotiating this treaty, it will be a very serious matter. If, because of mutual lack of agreement, we go past Dec. 17, it would cast doubt on whether the Egyptians and Israelis would carry out the difficult terms of the upcoming peace treaty, and it would set a precedent that would have farreaching adverse effects."

#### Two Questions

This was calculated public political pressure from the White House, and it will probably produce the signatures of Sadat and Begin on some kind of compromise agree-ment before the 17th of this month or anyway by the end of the year. But there are two fundamental questions:

First, will Israel and Egypt, Europe and the Arabs and the Russians really believe in it: unless, second, the compromise agreement has a treaty guarantee by the United States, confirmed by two-thirds of the Senate?

The chances are that they won't, and this is the problem Washington has never really faced, either in the White House or the Congress. Both bave been fascinated by the imme-diate tangles of the negotiations and by the personalities of Sadat and Begin, but these are passing and transient considerations

What is at issue in the Middle East is the balance of military pow-er in the world and the future of a comparatively free civilization. This struggle will go on long after Begin, Sadat, Carter, Brezhnev and all the other contemporary political

ebaracters are gone.

After all the negotiations, and especially after all the doubts and delays on both sides after the Camp David accords, there is elearly very

will be inclined to make absurd and self-serving assertions. Still, Rep. Al Ullman, D-Ore, has a lot of nerve to claim that the new tax law is designed to provide "equity" for little trust between the governments in Cairo and Jerusalem.

Both are trying to amend or

redefine the compromises worked out under pressure from Carter in the Maryland mountains. Sadat is link between the agreement on the Sinai and the future of the West Bank and Gaza, but on conditions Bank and Gaza, but on conditions that it is actually America's eco-the Israelis think would lead inevi-nomic interests, its trade position tably to the creation of an iode- and even the quest for "influence" pendent Arab state that would threaten the security of Israel.

Begin, meanwhile, harassed by his own memories and the political opponents within his own coalition. fears that be is giving up geography and tangible military positions essential to the security of his state in return for promises of good behav-ior by Sadat, who could be replaced at any time by opponents within his own country and terrorists within the rest of the Arab world.

Carter has dispatched Secretary of State Vance to Cairo to try to keep the talks going and get a com-promise for the 17th of this month.

particularly to find out wby Sadat has suddenly pulled back from his original agreements at Camp David and what be wants.

But in the end, the likelihood is that, even if some kind of cosmetic compromise is reached, both sides will insist on U.S. financial aid to facilitate the Camp David understandings, and equally important, U.S. political and military treaty guarantes to hold the line to case the Camp David treaty breaks

us to be insignificant language differences, and excessive public statements on both sides that have made the negotiating process excessively difficult. . . "I would like to add one other thing," Carter said. "If the Egyptians and the Israelis violate the three-month limit on negotiating

#### Hesitant Approach

It is almost tragic to recall at the death of Golda Meir — that noble woman and former prime minister of Israel, who knew the United States so well - that even she was not sure that she wanted for her country an American military guaranty that might reduce Israel. she feared, to the status of an American "protectorate."

But even so, it is hard to imagine what will reduce the anxiety of the Israeli people as they approach an agreement with Sadat they don't quite believe in, other than a treaty assurance that the United States will come to their aid if the Camp David agreements are violated sometime in the future.

For the United States this is a very hard question. Does it want to commit its military power to keep the peace in the Middle East not only in defense of Israel but for Egypt and the rest of this strategie area reaching from the Lebauon to Iran, both now in turmoil after its disastrous commitments to Viet-nam? And would the Senate approve such a treaty, even if President Carter proposed it?

Reply to Ullman

politician fresh from the hustings

is designed to provide "equity" for Americans in Europe (IHT, Nov.

29). And his stated desire to repre-

sent overseas Americans, while in

the next breath opposing special congressional representation for

The International Herald Tri-

bune welcomes letters from read

ers. Short letters have a better

chance of being published. All let-ters are subject to condensation

for space reasons. Anonymous

letters will not be considered for

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that their letters be signed only

with initials but preference will be given to those fully signed and

bearing the writer's complete address. The Herald Tribune

cannot acknowledge letters sent

them, is simply breathtaking.

Perhaps it is to be expected that a

So it is no wonder Carter has avoided the question of "guarantying" the vague compromises in the Middle East, but maybe there is no other way to make credible to Israel, Egypt or anywhere else, the trea-ty they will undoubtedly sign by the end of this month.

And a Test for Carter

# The Critical Impact Of Iran Emergency

By Joseph Kraft

WASHINGTON — When Louis XVI went to the guillotine, every monarch in Europe felt the back of his neck. So it is with the troubles now besetting the shah

of Iran.
All the other leaders to the Mid-dle East are watching to see what happens. Since they affect the world balance of power, Iran has become the center of a full-fledged international emergency — a first, and so far not altogether reassuring, test of the Carter administrational extensions.

ing, test of the Carter administra-tion's capacity to manage a crisis.

By itself Iran is important enough. It supplies about 20 per-cent of the oil shipped to Europe, Inpan, the United States and the other major consuming countries.

It occupies a strategic bit of real es-tate due south of the Soviet Union, and adjacent to two countries and adjacent to two countries — Afghanistan and Pakistan — which are prime candidates for Soviet

roublemaking.
Since the British withdrawal from the area in 1971, moreover, the shah's forces bave been the the shah's forces bave been the principal source of security for the whole Gulf. A weakening government in Iran has a direct bearing on the world's leading oil exporter — Saudi Arabia. As the secretary of energy, James Schlesinger, said in a notable speech io London last week: "The disruptions in Iran's oil fields are vivid reminders of the fragility of the production and logistical system on which the health of the industrial world depends."

#### A Bellwether

All the moderate leaders to the Middle East, furthermore, regard the shah as a bellwether. I saw President Sadat of Egypt last month just after I had seen the shah. Sadat pointed out to me that he and the shah were born to the same year, graduated from military school io the same year and had close personal relations.

"He was so sharp," Sadat kept saying. "How could it bappen to him?"

Worry about that question and its implications for him is undoubtedly one of the main reasons for Sadat's slowdown to the peace ne-

gotiations with Israel. In the United States, the Central Intelligence Agency and the military iotelligence organizations were

usual in such cases, the intelligence failure was set within a larger intel-lectual blind spot which affected business, the media and the univer-sities as well as government. Except for a tiny handful, notably Prof. Michael Fisher of Harvard, almost no Americans perceived the formi-dable political impact of religion in

Iran.

But even when the dangers became clear, the Carter administration failed to act effectively because of a deficient organization reflecting a poor overall sense of strategy. The basic fact is that this administration has had no high-level official paying systematic attention to Iran and the other countries of the Gulf. The highest official who cares a lot about Iran in the State Department is Henry Precht, a desk officer who has to report through four layers of officials, primarily involved in Arab-Israeli business, before reaching the secretary of state. His opposite number in the Pentagon is Robert Murray, who also has to report through four layers of officials before getting to Secretary of Defense Harold Brown. The White House man on Iran is a Navy captain, Gary Sick, who reports through four bosses before reaching the president.

reaching the president.

#### Carrying the Ball

The CIA, which has traditionally carried the ball for Iran in U.S. government councils, has almost no clout as a policymaking institution. The ambassador in Tehran, William Sullivan, has little standing at the State Department because of the role he played to pursuing the Johnson-Nixon line in Vietnam.

One example of the problems that result was the president's remark Thursday that the shah might not survive. That comment was made off the wall without any serious consultation. It drew a furious reaction from Tehran and a panicky one from the rulers of the Guif. It appalled U.S. officials con-

cerned with Iranian affairs.
The designation of former Undersecretary of State George Ball to head an Iran task force is an acknowledgment that something went wrong. It would be a gain for everybody if the president and his men could come to understand that the most serious difficulty was not an totelligence failure in the middle clearly surprised by the sudden decline of the shah's authority. As

# A New Kind of Battleground

By Colin Legum

rously stand by their commitment to help consolidate the Marxist-Leninist revolution proclaimed by Lt. Col. Mengistu Haile Mariam's military regime. Because the weapons being used to Ethiopia come not from the North Atlantic Treaty Organization powers but exclusive-ly from the Warsaw Pact members, while the troops come from Cuba, the campuses in the West are silent. So, too, is the rest of Western opin-

In the Moscow-oriented part of the Communist world, the heavy toll of human misery is justified to the name of Marx, Lenin and the spirit of progressive revolutionary

struggie. One recalls a time when Marxists actually believed that the success of "progressive revolutions" depended on the masses' popular support. Revolution, after Trotsky, was not supposed to be exported; nowadays it is, in order to export huge quantities of Soviet weapons to support struggling minority regimes. This is what bappened in Hungary and Czechuslovakia, and is now happening in Ethiopia.
In that noble old land, the mass-

es, who have been slow to respond to the banner of Col. Mengistu's "popular cause," are being flat-tened by MiGs. "Stalin organs" (122-mm rocket missiles) and TU-

in the Middle East which govern

decisions about this tax - not some

spurious notions of equity, cooked up for the folks back in Waterloo, lowa. Even more interesting is

Ullman's admission that he himself

does not know what effect the new

law will have on overseas Ameri-

cans. The fact is that be doesn't re-

ally care, as long as the economy and all the rest do not suffer: only

if "the actual impact . . . is harsher than we think," thereby forcing

Americans back to the states, will

case of the taxpayer as the golden-egg-laying goose. One can almost visualize the charts and graphs

back in Washington purporting to measure the marginal ntility of U.S.

citizens abroad. . . Of course he's prepared to reconsider the cost-of-

living adjustment quotient: A man does not become chairman of the

House Ways and Means Commit-

tee without some notion of the val-

ue of keeping productive geese alive. Uliman's bope is to push tax-es up to a level just short of that

which would bring significant num-

bers of overseas residents back

home. Just another example of

The time has come to reject une-

quivocally this arrogant assump-tion that no place on earth lies be-yond the reach of the Internal Rev-

macro-economic fine tuning.

Uliman reconsider the tax law. What we bave here is a simple

-*Letters-*

CONDON — In the Horn of Africa, now largely unreported in the news media, the killing continues on a terrible scale, while the Russians and Cubans adventumeans supporters of feudalism; their crime is that they are counterrevolutionaries. In this category belong hundreds of idealistic young Marxists who tried to stand out against the kind of revolution that requires huge quantities of foreign arms and troops for its success.

Ethiopia has become a new kind of battleground in the Third World. It is not Vietnam, nor even Augola. If anything, it is Spain during the Civil War period of the 1930s but in reverse. There, the fascist powers provided the arms that enabled Generalissimo Francisco Franco to establish his dictatorial regime, while the democracies stood by in a comfortable posture of nonintervention.

In Ethiopia it is the Communist powers who are providing the "superior arms" to help nail down an unrepresentative regime on an unwilling populace - and, once again, the democracies are maintaining a careful noninterventionist

Let me make it clear: I am not arguing for the democracies to become militarily involved to the Horn of Africa; I am only arguing against their remaining largely si-lent in the presence of massive foreign intervention.

A new phrase is creeping into the language of Marxists in the Third World: "Superior arms." The argu-

enue Service of the United States.

To yield that point and concentrate

nstead on cost-of-living indices.

the balance of payments, the desir-ability of living in Paris, etc., is ridiculous, and simply provides more business for lobbying firms in

Washington. The appropriate re-sponse to Rep. Uilman and the IRS is not more cheap talk, but rather a

Murray M. Weiss

CARROLL DORGAN.

flat refusal to pay U.S. taxes.

ment among those advocating revolutiooary change is that, in cboosing your "strategic allies," it is nocessary to be sure that they possess "superior arms." It can be a very convincing argument when used among desperate people who have genuine reasons for abandoning hope in democratie methods of :-

#### struggle. Divisive Issue

I recently met a black South African who has just completed s 15-year spell of imprisonment on Robben Island. He told me that the most politically divisive issue on the island, where South Africa keeps those convicted of politically dections inspired crimes, is over the issue of whether allies should be chosen on .. the basis simply of "superior

What happened to Angola in 1975 obviously made a deep impression on the thinking of the prisoners on the island. And if Ethiopia goes the way the Russians and Cubans are determined it will go, it would predictably strengthen this impression.

The Soviet Union's "superior weapons" have at long last begun to have their effect on the mugh 18year-old Eritrean struggle, However, despite the recent government successes, the fighting is by no means over in Eritrea — any more than it is in the Ogaden, Sidamo, Tigre and in other Ethiopi-

an provinces.

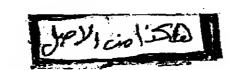
Nevertheless, democrats who have no answer of their own to the question of how to resist the Russians without themselves getting back into the business of pedding arms in the Third World fool them selves by repeating that "in the end" the Russians will be found to have dug their own graves in Ethiopia. It is a comforting thought, but it is not necessarily true. But if the Russians and Cubans should in the end be found to have dug their own grave in the Horn, that will be no thanks to the enemies of totalitarianism.

Colin Legum, who writes for The Observer of London, wrote this article for The New York Times.

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# Focus on the Netherlands — 1978

# Government Seeking Moderation in a Break From the Past

## Tripartite Talks Center On Wages, Jobs, Benefits

ment, unions and employers on The line of the preliminary discussion, which with the will inevitably sharpen into a skir-wis the me mish in the coming months.

That ag a familiar part of the Dutch ecothat was familiar part of the Dutch eco-the wall was nomic scene: What wages for what adhaten he positions during 1979, what in-the treat is creases in social security benefits, no from the and how unemployment can be paided by a reduced. Yet despite the initial pes-it framanta simism felt by officials of the Min-scription of gistry of Economic Affairs over the tool State for way the talks have begun, there is a talk tack he large measure of basic agreement on: the between the parties regarding what midle 12 the economy can stand during the property 12 months.

The disagreements are over de-national rather than principle. Thus, it tulus, a seems unlikely that the debate will the way deteriorate into strike action by the

Nonetheless, Wim Kok, leader of the 1.7-million-strong Netherlands, Federation of Trade Unions, savs, "There is not much chance of a moving into a socioeconomic minefield."

And the leader of the processing

And the leader of the opposition, Joop den Uyl, is on record as saying that he, too, expects the talks to its t making "half promises." Both men in tends to That stry to restrict incomes of the lowerthe higher-paid almost untouched. The unions also make the point

that if the number of jobless is to be reduced, there must be a more that the normal week should be reduced from 40 to 35 working hours with those holding jobs taking a vacation on Friday afternoous.

#### Rejection

 $a_1 h_1 h_2 \in M^{\mathcal{C}}$ 

Both the government and employers reject this formula, claiming that the nation cannot afford it: There is already a debilitating lack of competition for Dutch exports, and this trend must be arrested.

they say.

The Dutch central planning burean has already produced its fore-casts for 1979. They are not very hopeful. In the first place the board believes there will be a deceleration of growth in the United States and this is bound to affect other in the industrialized world. this is bound to affect other nations

While it believes that the current slight recovery of manufacturing output in Western Europe will con tinue during the first half of next year, the prospects for the second half of 1979 do not look bright.

show a 5-percent growth of world trade which, reweighted, will work fect of rising imports in West Ger-many — where the decision has been made to launch an incentive program amounting to one percent of the gross national product."

This is a vital element for a country like the Netherlands, one-third of whose exports are sent to the German Federal Republic. The bnreau, therefore, sees Dutch do-mestie demand growing next year between 2 percent and 2.5 percent - with an output growth of 3 per-cent, compared to 2.5 percent this year. It goes on to stress the need for greater industrial productivity, which would lead to a further, although not dramatic, increase in

Much of the argument will center on the government's retrenchment plan — called "Estimate '81" which is its strategy for reducing unemployment and inflation during the next three years. To this end it proposes wage restraint and a re-duction in the growth of social wel-

The unions' case is that there should not be any decrease in in-(Continued on Page 4)



Canal creates a tranquil scene in the center of Amsterdam.

## Coalition Leader's Aim Is 'Joint Responsibility'

By David Haworth

THE HAGUE (IHT) — One year ago, confident predictions were being made that whatever the final arrangement of a Dutch coalition government, it would be led by the Labor Party's Jonp den Uyl. These forecasts came to oothing.

The last election here, in May, 1977, gave Labor 53 of the 150 seats to the Parliament's second chamber. That was 10 more seats than they held before the election. In the Netherlands, this was considered a landslide for the Social-

ists, who make up the Labor Party.
What happened after is a long story. But the upshot was that there was no government for seven months. Finally, a year ago, Mr. den Uyl gave up trying to form a coalition and stood back for the leader of the Christian Democrats. leader of the Christian Democrats. Andreas van Agt, to form a coali-tion with the Liberal Party.

Most parties would agree that this prolonged episode had the ef-fect first of amusing the electorate and then of disillusioning it. It is not an exaggeration to say that even in this period of economic dif-ficulty, the Dutch are tired of party politics.

Sensing this mood, Premier van Agt's coalition has adopted an unexciting profile. It is not that its individual members are in them-

selves dull — although this admin-istration does not seem to have its share of eccentrics as the last one did - hut rather the policy seems to be for the moment the less said the better.

sense this mood. Although the Soci-alists feel they were "cheated" of the reward of continuing power. their attacks on the coalition have so far been confined to fierce thrusts with wooden swords: They look more threatening than they

There was a recent flurry in Parliament over the so-called Aantjes Affair, when the floor leader of the Christiao Democrats, Wim Aantjes, was discovered — in circumstances that are still not elear or public — to have had an embar-rassing association with the Waffen (military) SS during the later part of the war. Mr. Aantjes resigned early last month. An opposition motion criticizing the government's handling of the affair was finally defeated after a lengthy debate. But informed political observers here never felt the government was in

On the economic front, however, there can be little doubt that the government will face severe difficulties. Some officials feel that there will be a crisis before the collective bargains are satisfactorily said, however chagrined the unions might become about the government's wage restraint policy, little point would be served in hringing the government down at this crucial stage. If the economic problems are to be properly tackled, an air of calm to the point of boredom is what is required. This is not, he added, a cynical view but a realistic

Indeed, Mr. van Agt's own view is similar. He wants to see a widespread acceptance of what he calls joint responsibility" - a feeling in all sectors of the community that they are all in the same boat and have an equal interest in it being steered on a gentle course.

Mr. van Agt believes there is at

least a 50-percent chance of agree-ment being reached in the tripartite negotiations between the government, unions and employers. And while it is understood that he suspects social unrest is not impossible in the circumstance, Mr. Van Agt also thinks an awareness on the part of the unions of the consequences of such mirest will modify

There has been an ahrupt change from the previous government. The Den Uyl Cahinet was determined to bring radical change to almost all aspects of government except foreign policy, and even that was sharply questioned from time to time. Radical solutions and innova-tions were sought in defense, education, planning and in the laws covering employment and owning property. It seemed that on a whole raft of issues, the oation was going to take a decisive step leftwards and stay there.

#### Van Agt: Ending Unemployment Is 'Highest Priority' built up between 1972 and 1976 out putting pressure on the private Otherwise, labor costs in this people. Our behavior is determined

THE HAGUE (IHT) — Andreas van Agt, 47, a member of the Catholic People's Party, became premier of the Netherlands a year ago as part of the ruling Christian Democratic coalition. An academie lawyer by profession, he has written widely on legal and ethical issues and was formerly professor of criminal law at the Catholic University of Nymegen. He became known outside his own country when, after becoming justice minis-ter in 1971, it was his duty to deal with a series of Moluccan terrorist acts. Unlike his Socialist predecessor, Joop den Uyl, Mr. Van Agt has kept a low profile since coming to power. Here he gives an interview to David Haworth.

Mr. Haworth - You came to power after a particularly restless period in Dutch politics. With that in mind, what are the priorities of this administration?

Mr. Van Agt — This govern-ment's highest priority is to alter the trend of unemployment which without a change of policy would rise sharply — and to set it on a downward course. In order to achieve this effect the most import-ant requirement is to consolidate the position of industry and thus to



Premier van Agt.

make it more competitive both on the domestic market and abroad. This necessitates a change in the way our national income is distrib-uted, insofar as limits must be set to the increasing amount being swallowed up by the public sector, while in the private sector wage in-

country would rise so high and the - on the one hand by ethical convicburden of taxation and social se- tions, which sometimes make us curity contributions would become tend to be dogmatic, and on the so beavy that maity firms will no other by a form of obstinacy, which longer be able to carry on. It is all may express itself in a know-all the more necessary to take measures to maintain and where possible to increase employment, since after 1980 we can expect a considerable increase in the number of people wanting to join the labor-

Q. - Is this coalition a sevenday wonder or does it have real durability? Why?

A. — This coalition has only a small majority in Parliament. But in predicting how long it will survive it is important to consider that the country's economie situation is rather difficult and that many people realize that a political crisis, perhaps involving a lengthy period of uncertainty with oo effective government, would be a consider-able risk for the country.

Q. - Do you see any fundamental, long-term change in this nation's politics, of which the sectarian aspects often strike ontsiders

as curious to incomprehensible?

attitude: However, we conduct our foreign policy wherever possible in consultation with our partners in the European Economic Communi-

Q. — For a variety of reasons the guilder is unrealistically strong.
Given the somewhat precarious condition of the Dutch economy. how long can this state of affairs last --- or should it last?

A: - This question, in fact, posits two problems, namely that for a variety of reasons the guilder is unrealistically strong and how long can or should this state of affairs last, given the somewhat precarious condition of the Dutch economy.

The assumption implied in the first statement is incorrect. It is true that, seen in a short-term context, there is a deterioration in our balance of payments. We expect a small deficit (of anything up to a hillion dollars) for 1978. This in itself is no problem given the size of A. - We are indeed a curious the monetary reserves which were

when, partly thanks to our natural gas exports, we achieved substantial surpluses. Moreover, the deficit is being influenced to a large degree by non-recurrent factors which were not foreseen; for example a massive increase has been registered in stockbuilding, and we received a net amount of 600 mil-lion guilders less from the European Community in the first eight months of this year. Intensive efforts are being made to promote exports in order to avoid a permanent deficit. The government has appointed a state secretary with special responsibility for promoting exports. In this respect it is import-ant to note that domestic cost cootrol is the paramount objective of

Another reason why it is oot true to say that the guilder is unrealisti-cally strong is the current very low rate of inflation in the Netherlands (approximately 4 percent). The moderate rise of prices can partly be put down to the appreciation of the guilder and the success of the tight monetary policy which is being pursued by the Dutch monetary authorities in complete harmo-

Another important element is

that mocetary thinking in the Netherlands attaches great importance to a structurally acceptable budget deficit. We regard the actu-al deficit at present as a very con-siderable one, which is only acceptable in view of its positive effects on the current economic situation. Despite these effects the government would prefer a reversion to a more normal situation and has made this an important principle of its medium-term economic policy. Arrangements have been made for an emergency braking procedure ready to be set in motion if the budget deficit should threaten to exceed a certain critical threshold. Seen in an international context,

employment and other macroeconomie factors such as growth and investment are certainly no grounds for making an unfavorable evaluation of the Dutch economie situation. The increase in investment in fixed assets is a remarkable result - more than 20 percent in volume since Jan. 1, 1977 - and helps explain the reversal in the balance of payments.

# Pollution: The 800-Mile-Long International Sewer Ends Here

A MSTERDAM (IHT) — Dutch hopes of long-awaited action on the dangerously polluted Rhine fiver have once again been dashed by the French. A French government bill ratifying an agreement signed in Bonn in 1976 by the five Rhine states, the Netherlands, West Germany, France, Switzerland, and Luxenbourg, has been land and Luxembourg, has been withdrawn from the current session of the French Parliament, France, one of the Rhine's major polluters. is the only country that has failed to ratify the agreement.

Major opposition to the bill has come from the Gaullists, who derive much of their support from the sast of France, where the pollutionausing industries are concentrated. The opposite ed. The opposition stems largely from the high costs of antipollution installations and treatment, as well as from fears for eastern France's own environment should the Rhine no longer be legally available to carry the problem elsewhere.

A spokesman for the French em-Bovernment's decision: "It was a matter of deferring the bill to the tthe government lobbies for support through now with the danger that it

would be defeated. To safeguard the bill, we had to withdraw it. It is a great disappointment for the Dutch, who have the misformne to be on the receiving end of what has become an 800-mile long international sewer. The Netherlands has strived for years to achieve some kind of effective agreement on pollution controls, which finally culminated in the Bonn accord of two years ago.

#### **Bonn Agreement**

The Bonn agreement is directed towards the two major pollutants of the Rhine: chemical wastes and salt. Effluents from the German industries in the Ruhr region and the potash mines in the French Alsace are by far the greatest pollutant

cent of its drinking water from this as we previously thought: Only

cheap source of photographic developer, a figure that can only increase in the future since other supplies are already strained to maximum capacity. We are very anxious about the Rhine," points out Jur Lieffering, information officer of the Netherlands Association of

Water Supply Companies.

other harmful substances.

"Although the Bonn agreement resulted in a black list of about 18 In 1976, analysis of water enter-ing the Netherlands at the German sands that should be on it," be says. border revealed that the Rhine was "And although the amounts of bringing into the country some 20 some pollutants are now decreastons of mercury, 250 tons of arsenic ing, the number of different ones is and 1,200 tons of lead annually, in increasing. We find more new subaddition to many other harmful stances every two or three months. substances. To dramatize this It is not possible to eliminate them point, a Dutch newspaper pubentirely through the purification lished a perfectly good photograph process. It already takes a lot of efactive and a few years ago that had been developed by using only "pure" for consumption and even now we cannot be certain that some sub-The Netherlands derives 15 per- stances are as relatively innocuous

time can determine the long-term effects on health."

Mr. Lieffering adds that a major problem, in spite of the Boun agreement, is the lack of essential information on exactly what is being dumped into the Rhine, since German industrialists fear this would compromise their industrial

#### Wildlife

The chemical pollution is not only a problem for the supply of drinking-water. The Wadden sea and the Frisian Islands, is one of

But the seal population has

area off the north coast of the Netherlands, between the mainland Europe's most important bird sanctuaries and fish-breeding areas. It is also the only remaining home for the Netherlands' seals and a major refuge for numerous other forms of wildlife.

In 1976, analysis of water entering the Netherlands at the German border

revealed that the Rhine was bringing into the country some 20 tons of mercu-

ry, 250 tons of arsenic and 1,200 tons of lead annually, in addition to many

than 2,000 to less than 400. The decline stabilized briefly in 1975 when the recession cut back German industrial output, Numerous species of birds, fish and other wildlife have become extinct or are threatened.

The situation remains grave, al-though progress has been made in some areas. German cooperation is increasing, and negotiations to ex-tend the black list of chemicals that may not be dumped into the Rhine are underway. Odd as it may seem, what the Dutch regard as their greatest threat is not chemical pol-lution, but common salt.

Twenty-seven percent of Dutch land area lies below sea level, and half of the land is not very far above. Preventing rumous salt ac-cumulation in fresh water areas and precious agricultural land is a condropped over the years from more stant struggle. Most Dutch water-

ways are flushed with fresh water several times a week to combat salt build-up, and a major source of this water is the Rhine. Analyses in 1976 revealed that the Rhine itself was bringing some 16 million tons of salt annually into the country, with more than a third of it coming from the French government

owned potash mines in the Alsace.

Damage to agriculture alone is estimated at 60 million guilders (\$28.7 million) a year, with bundreds of millions more being invested in treatment facilities for drinking water. Official attempts during the years to alleviate this problem have so far come to nothng. "Our problem is that all we can do is ask for cooperation," Mr. Lieffering says. "We've already paid 24 million guilders to France as a first contribution towards andpollution measures, but I'm afraid this is beginning to look like money nature, and it belongs to every-

A dramatic breakthrough could well be on the horizon, however, A group of private citizens, weary of 30 years of froitless official negotiations while the Rhine died, formed the Rhinewater Fonodation in Sep-tember, 1974, and a month later filed a lawsuit with a local court in

Since then, the foundation has fought and won a series of legal battles at a total cost of about 100,000 guilders, all from private contributors, while the suit has worked its way through various judicial processes.

#### Regulations

The final verdict, due on Jan. 8, is expected to be in the founda-

Under Common Market regulations, this could elear the way for anyone who feels he has suffered from the effects of pollution to file damage claims against the polluting factories. "We are quite confident we will win," says D. M. G. Lasonder, the foundation secretary. What is being done is utterly illegal. Water doesn't recognize international frontiers. It is a gift of Atmosphere

The atmosphere has changed considerably since then. But it is not reactionary: There is no strong disposition to uoravel any of the major pieces of legislation enacted under Mr. den Uyl. Rather, the change is signified by a halt in that radical process he began, and pedestrian issues have been put in its place.

True, this government has ex-tended the influence of workers in the running of their companies. However, Mr. Van Agt has now turned his attention to the preparation of a new antipoliution law that is intended to give greater protec-tion to the soil — literally, a downto-carth measure.

There has also been a revival of the abortion debate as a result of a draft bill put forward by the coalition. It seeks approval for abortion up to five months after conception. providing the operation is carried out under strictly laid-down condi-

This proposal has not pleased the opposition because of a five-day mandatory waiting period between the time a woman decides to bave

(Continued on Page 8)



# An Industrialist Foresees Painful Adaptations in the 1980s

By Alan Tillier

ROTTERDAM (IHT) — The possibility of a halance-of-payments deficit, economic recovery and labor-union moderation are discussed by Berend Udink, a for-mer Dutch Cabinet minister and oow president of the board of Ogem B.V.

This industrial holding company includes one of the leading Dutch construction firms — the Netherlands is the home of some of Westeru Europe's most dynamic huilding enterprises that have been notahly active in the Middle East — as well as a large worldwide trading concern and is heavily involved in electrical-mechanical contracts.

These three hranches give Ogem an annual turnover of about 5 billion guilders (\$2.4 billioo). While in the Cabinet, Mr. Udink served as minister for economic development, housing and urban

development and transportation and public works. Here Mr. Udink talks with Alan Tillier for the International Herald

Mr. Tillier — What is your view about the Netherland's likely halance-of-payments deficit?

Mr. Udink - I have a foreboding of bad weather to come. Sacrifices are difficult wheo the immediate urgency is oot clear. Try and tell people it is coming and they re-ply "Wait and see." There has been too much of this wait-and-see atti-

Q. — So you are not very optimistic about a recovery?

A. - Well, the Dutch are preachers, but when the chips are down we become mercantile, reasonable people. The Dutch trade unions are the first in Europe to comply with a zero-growth line over the next few years. This is already a step toward moderadon, in the past, all kinds of governments bere allowed wages to get out of hand. We have all been responsibile - left and right. Q. — Will this sense of modera-

A. — It will be painful. We are going to bave to step down from present levels of prosperity and social welfare, the levels which have been rising in the last 10 years. But I don't think the present government is doing enough. The danger is that it will seek to please the left. The cuts which it has announced are not in spending hut in the rise



of spending, say 10 billion guilders out of 400-to-500 hillion guilders. Still, we have come down quickly and spectacularly from 8- to 9-percent inflation to a 5-percent rate. The unions seem agreeable that wages should not rise beyond this.

Q. — But don't the unions want something in return for this

A. - Certainly. They want progress in the nonmaterial sphere, a greater influence on investment policy. The workers councils can al-ready veto the appointment of directors and they now want more powers, including a share in any in-crease in capital. We have always sat around the table at Ogem, and I doo't consider these latest demands as revolutionary. In this difficult time in Western Europe it is important to raise the level of confidence between management and workers. You have to take workers into your confidence, discuss with them where to invest. Horizons cannot be opened by governments. I am quite prepared to sit with the workers' representatives and put to them: 'This is what we have in the way of money to invest. Now tell me your ideas about how to invest it so that we obtain a 12-percent

Q. — Is there a cure for the socalled Dutch disease - the ever-rising cost of a welfare state when the natioo's greatest resource, natural

ductive investment?

A. — These wage increases were made possible by natural gas, and we are eating this up oow. But this so-called Dutch disease moves from country to country. Even French

1950s and made the government hesitate about membership in the EEC (European Economic Community). Sweden has been another case.

The 1980s are going to be a period of painful adaptations. We will be forced to pull ourselves out of

the morass. There must be cooviction that growth is good, that it doesn't spoil the environment, but that it is inevitable and healthy to look forward to new possibilities. A basic change of attitude is needed.

Q. — To turn to your own com-pany, does the 4 billion guilder

ing increasingly overseas for work?

A. - Well, we oow have 40 percent of our turnover outside of Holland. We are not certain about the Riyadh University contract as the Franco-American consortium of

housing contract in Damman, Sau-di Arabia, mean that Ogem is turn-far lower bid than that of the far lower bid than that of the Ogem/Skanska group. Still it will be several months before the Sandis reach a decision, and I shall be there shortly to review the situation. We have our traditional power

- Berend Udink

ized, but often we stay on as managers, as in the case of Curacao. where we received a reasonable set-We are keeping 40 percent of the company in Surinam and 20 per-

tendency for these to be national

cent in Venezuela.
There is a lot of work before us in Nigeria through the Dutch state Nederhorst company, which we run, and our German sister company, Beton and Monierbau, of which we own 35 percent. There's a big port contract there, a cement works in Tanzania, contracts in Algeria, a plant for Bofors in Iran, some 150 power-generating sets for the bigger islands in Indonesia.

Q. — What remains of Ogem's trading role?

A. - We are the biggest European technical trading company, with a turnover of 2.5 billion guilders and a staff of 10,000 people. It remains the largest of our divisions - we move capital goods like tools and equipment, household appliances, hi-fi's, TV sets and fridges around the world. It's real crosstrade. We carry Japanese things to southeast Asia, U.S. goods to Africa, Japanese goods to Europe and Hong Kong textiles to Britain. Six-month group profits this year in-creased from 11.1 million guilders

# Building a Channel and Enlarging a Harbor in China

Well, the Dutch are preachers, but when the chips are down we become

mercantile, reasonable people. The Dutch trade unions are the first in Europe

to comply with a zero-growth line over the next few years. This is already a

step toward moderation. In the past, all kinds of governments here allowed

wages to get out of hand. We have all been responsible - left and right.

A MSTERDAM (IHT) — Dutch companies are making preparations for what appear to be some big contracts in China. Although they were not late starters in the rush to do business with the Chinese, the Dutch have been prepartheir negotiations carefully, with the result that the Netherlands now has two protocols with the Chinese for port and harbor work potentially worth more than \$2 bil-

So far, Japan has obtained the major share of the first wave of contracts under Chairman Hus Kuo-feng's massive industrialization program. Among West Euroreturn after taxes." ean nations the West Germans, with coal mining and petrochemical contracts, have been the most successful in winning Chinese

Of the two major Dutch-Chinese projects, one is for the enlarging of the harbor at Lien-yun-kang, about 700 kilometers north of Shanghai. This port at the moment handles around 21/2 million tons a year of coal and a similar amount of general cargo. The Chinese aim to expand this port at least six times by 1986. Virtually all the extra tonnage will be coal for export. There could be further extensions up to the year 2000.

Deep-Channel Project

The other project, which could be much more expensive, is for a deep channel at the mouth of the Yangtze. The present channel allows the passage of ships in the

orders for oxy-alcohol plants and 15,000-20,000 too range. The deep-mining equipment. 15,000-20,000 too range. The deep-channel project is linked to the new Japanese-built steel plant at Paoshan, 50 miles up the river.

> A Dutch engineer described the magnitude of the project: "The estimes bigger than the Dutch Delta. where we've spent a few billion dollars and where we have been working for 25 to 30 years. They want a channel for 50,000-ton ships."

For the two projects, the Dutch estimate that the coal-port extension will require six months to a year of studies, with a longer study period for the channel.

The Dutch are particularly skilled in the science of port-construction and channel-dredging IHC Holland bas already sold dredgers to the Chinese Ministry of

charge of this ministry, Yeh Fei, has just concluded a detailed study in the Netherlands of what the Dutch have achieved in port and delta works. The Chinese had originally

The contracts with China could not be better timed, for the Dutch, who have been working on port projects in the Middle East during the last three years, are running out of oew contracts in the area.

The Consortium

The Bos Kalis Westminster dredging and construction group has taken the initiative with China trade (at the moment trade is only some 150 million guilders in each directioo). Hydrooamic, its engineering arm, was chosen as the nancing of some major projects in leader of the consortium that also Saudi Arabia.

includes, aside from IHC, the Nedeco engineering group, which acts as an umhrella company for a number of Dutch engineering con-

boped to barter coal against financing, using a new coal port at Rot-terdam. Now there is a possibility of dollar financing, C.F. Karsten, chairman of the Amsterdam-Rotterdam Bank (Amro), has been to Peking to talk with the Bank of China. He confirmed that the Chinese did not want financing in guilders but in dollars.

Spokesmen at Amro stated that the bank is putting together a con-sortium that will include both Dutch and foreign banks, a formula it has already used for the fi-

Another area of Chinese interest is medium-haul jets. Fokker company executives are talking to the Chinese about sale of the F28 jet, an 85-passenger aircraft that sells for 18-to-19 million guilders. The Dutch say that Chinese interest in this aircraft has been growing the last six months. A Fokker spokesman commented: "They are going to speed up their internal cet work, for which the F28 is suitable, as well as buying wide-bodied jets."

Fokker also bopes there will be a Chinese market for its long-serving workhorse," the F27, which can be used oo less sophisticated airfields. Fokker's space activities have drawn some interest from the Chinese — the Iras infrared satel: lite and the Vanden infrared astro-

The Dutch are dredging, constructing new dikes and harbours all over the world. Five of the world's biggest

orders. The British also have firm

companies are Dutch. Dutchtugboats towships safely over the five oceans.

The first continental airline to New York was Dutch. Forty percent of all transport in the

European Common Market goes via the Dutch.

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# Now there are a million reasons to keep in touch with the Dutch

In June 1974 a Philips PRX computerized telephone exchange utilizing Stored-Program-Control, SPC, was inaugurated in the Amsterdam district of Wormerveer. Serving 6144 subscribers, it marked the beginning of an ambitious telephone modernization programme in which Holland's entire public telephone network would gradually be converted from electromechanical to computer control.

The pace with which this programme has proceeded during the past four years can be measured by the fact that in December - as planned · the 157th PRX exchange will be integrated into the national telephone network; increasing the number of SPC-connected subscribers to one million; which is 20% of Holland's present telephone population and the world's most concentrated network of SPC lines. And during 1979 a further 380,000 lines will be connected via PRX exchanges; eleven of which will be multi-control installations.

Among the many advantages of SPC telephony is its ability to provide each subscriber with direct access to a variety of convenient computer-stored services such as: automatic wake-up, call transfer, call costing, abbreviated dialling and many others. The Dutch Telephone Authority is presently conducting a subscriber survey in two representative telephone districts to determine user-acceptance of a number of these services.

When the modernization programme is completed in about the year 2000, Holland's SPC telephone network, having kept pace with the present, will be ready for the demands of the future. For in addition to providing all the benefits of stored-program-control, the Philips PRX exchanges used throughout the network can simply and economically be converted to digital performance as and when required.

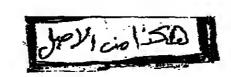
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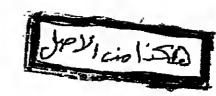
PRX ringing the changes in telephony

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# Foreign Policy Focuses on Southern Africa and Starting EMS

THE HAGUE (IHT) — Christoph van der Klaauw, a mem-lution of our own national probber of the Liberal Party, was appointed Foreign Minister in December, 1977, after a lnng and distinguished carreer in the diplomade service, including posts in Budapest, Oslo, Paris, Rio de Janeiro, New York and Geneva Here he talks with David Haworth about Dutch foreign policy con-

Mr. Haworth - What are the main preoccupations in Dutch foreign policy at this time? Does it follow from this that your term of off-ice will be marked by a theme, and

Mr. van der Klasuw - At the present moment the most acute preoccupations are the situation in southern Africa and an important issue in the field of European coopthe policy of the South African riment with regard to Namibia. We must hope that this government will not wreck the constructive effort of the international community to reach a peaceful solution in Namibia on the basis of free elections under UN supervision.
Then there is the dangerous situ-

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ation in Rhodesia, which already is on the hrink of chaos and disaster. Last but not least, there is the odious system of apartheid in South Africa where time is running out to come to terms with the nonwhite part of the population.

With respect to Europe, we are now working very hard to enable the European Economic Community summit meeting this month to launch the European Monetary System (EMS), which should give a sounder and more stable basis to economic and monetary cooperation in the community.

Finally, some remarks on our more general preoccupations: In a world still full of tension and potential conflict the maintenance of peace and security naturally remains one of the major objectives of Dutch foreign policy. We therefore attach a high priority to our membership in the Atlantic Alliance, which is of essential importance for a stable balance between East and West and the promotinn of detente,

In order to overcome the dangers inherent in the present armament situation, we will not diminish our endeavor to make progress on arms control and disarmament

lems in the economic field. In the world at large, only a sound and strong EEC can properly fulfill its task, contributing to international economic recovery and countering

the danger of protectionism.
Our increasingly interdependent world calls for the achievement of a better halance and more justice in international relations, both politi-cal and economical. To this end, we will continue nur active policy in the field of development coopera-

This policy is in line with our democratic and humanitarian traditinns, which inspire a strong feeling of responsibility for our less privileged fellow human beings all over the world. Our strong attacbment to the cause of human rights must also be seen in this light. We will continue to promote this cause, in the firm belief that neither restriction of liberty, nor political suppression, nor economic and social deprivacion, can be reconciled with the dignity of man. This is an issue that I very much have at

Q. - What is your assessment of the EEC's present condition and your attitude to its further enlargethe Council in Bremen tn give eco-

base as possible. Economic and

monetary union continues to be the

guideline for long-term action. The

Netherlands will continue to resist

with its partners in the Common

Market tendencies towards protec-

The enlargement of the commu-

nity by three new members is draw-

ing ever closer. Enlargement will

clearly bring many problems in its train, and while this country will dn

all it can to ensure the full imple-

mentation of the political decision

regarding the accession of new

members, the government believes

that a number of matters require

special attention. The processes of

decisionmaking need to be looked

into; the machinery by which deci-

sions are prepared must not be al-

lowed to work to the advantage of

the larger member states, fostering

It is a cause for great satisfaction

that direct elections to the Europe-

an Parliament are to be held for the

first time in 1979. This will create a

bridge between the ordinary Euro-

pean citizen and the activities of

the idea of a "directorium."

the EEC in Britain.

tionism.

nomic and monetary convergence tiations will soon be starting on the within the community as broad a 2nd Lome Conference; aid to non-

A. - It is the government's view that the current economic difficuloes in the Netherlands and the other member states cannot be tackled effectively without action by the EEC itself.

A second matter that will be occupying the community's attention is the accession of the free member states. It is not easy to foresee bow the enlarged community will func-tion under the changed circumstances. There is clearly a danger of debilitation, however, and European cooperation will need extending. and above all deepening, if this is in be avoided. The community has not yet recovered from the economic recession that has been affecting it since 1973. A cyclical recovery would relieve pressure on employment and facilitate the necessary processes of a judgment, and the concerted action on which the EEC decided at its Copenhagen meeting with this aim in view must become

The government will cooperate in every way it can to the success of this action. The Netherlands will ontrol and disarmament.

give every support to the elaboralimproved cooperation in Europe.

give every support to the elaboration of the proposals discussed in highly the community's activities in

'In a world still full of tension and conflict, the maintenance

of peace and security naturally remains one of the major objectives of Dutch foreign policy.'

the field of development aid: nego-

associated states recently acquired

a foundation in community legisla-

tion. The government will contrib-ute to the best of its ability to the

extension of the European effort no

Q. - You have been critical

about the way in which Bonn and

Paris have tried to launch the EMS.

What is your view about the suc-

cess - or otherwise - of this ven-

With regard to the matter itself,

behalf of the developing world.

--- Christoph van der Klaamo



used in several capitals and parliaments in Europe. These facts indicate that the Dutch consider that monetary cooperation has to be a community matter. This means that all member states should commit themselves on this point. Until this mament there is not any certainty about this basic condition being fulfilled. I assume that this ques-tion will only be cleared up at the EEC summit. Considering what a great step forward a positive decision in this matter would mean for integration, I am of the opinion

A. - Indeed, the Netherlands to be of vital importance for the has favored bringing the ideas related to more narrow monetary co-European construction. operation as soon as possible at the proper discussion level, i.e., into the framework of the Council of the

there cannot be any doubt that the Netherlands is strongly in favor of stabilization of exchange rates as well as in favor of a deepening of European integration, achieved by those needs. The Netherlands forms the extreme situations of has earned some reputation in continuous violations of human these matters: The proposals of rights, which would - in my opin-Duysenberg, former minister of finance, were well noted in Brus- unstipulated execution of financial sels, and the report of the co-called and technical collaboration, accomplices to those violations.

ceptable to all parties. that the community is going through a period which will prove

Q. - You are on the record as saying there must be a reference to human rights in any renegotiated Lome Convention, Why? And bow can this be achieved?

A. - Something, indeed, should be done about this. This rather delicate question has come up already in the past years. The cause of this ion - have made us, in case of an

The Dutch people (eel widely that the Dutch government cannot simply neglect these facts with an appeal to the contractual character of the relations with ACP [African, Caribbean and Pacifiel countries. am of the opinion that we should bring up the question of buman rights in the present negotiations with the ACP countries and should try to find effective formulas ac-

O. - Unesco has been trying to establish a convention on the press. Do you favor this initiaove?

A. - The Netherlands has never seen much merit in the idea of drafting a declaration on the mass media. The draft-declaration pro-posed earlier this year by Unesco's Director Gen. M'Bow was unacceptable; since it would infringe on the principle of freedom of information. Now, the 20th General Unesco Conference reached an unacceptable consensus on the contents of the declaration. I consider the adopted text as useful, since it does not infringe on the principle of freedom of information nor on other principles basic to our society, and, on the other hand, it can contribute to a greater understand-

port for their own communications infrastructure. It is to be hoped

that the mass media themselves

Q. — What is your policy nn the neutron bomb issue?

show interest in this subject.

- The policy of the Netberlands government on the neutron weapon is that while production of the ERRB [Enhanced Radiation and Reduced Blast] weapon is the sole responsibility of the United States, we should try to avoid introduction of the weapon by entering it into the process of arms control.

If this does not succeed and the issue of introducing the weapon comes up again, this would constitute a new situatinn. In that case we would have to

consider our position anew in consultation with Parliament.

Q. — Do you have any anxiety about the present imbalance of East-West military power on the Continent of Europe? What needs to be done, where, and bow?

A. - Indeed, the Netherlands government has noticed with concern continuous buildup of military power by the Soviet Union. It is ing of the justifiable demands of therefore necessary to take mea-the developing countries to get sup-sures to maintain an adequate balance in the relationship of forces between East and West. We think that the NATO policy of a 3-per-cent real increase in defense expenditure is a step in the right direction.

At the same time, the ongoing negotiations on SALT, and the Farce Reductions] can play an important rule. SALT, by fixing limits for - and in the long run rolling back — strategie armaments, and MBFR with its abjective of estab-lishing a better balance at a lower level of forces.

Q. — In your opinion, what special contribution can a small nation like the Netherlands make in a world of big power politics?

A. — A small nation, yes, in terms of surface, but not in other terms — international trade or development aid. Yet it is evident that the role of power is less dominant in our foreign-policy thinking than in that of larger states. We are in favor of strengthening the various international organizations and always have been actively participating in their operations. That so many of my countrymen occupy important positions in these organizations can be seen as a reflection of this. In my view we should use these institutions to promote further development of a system of international relations, governed by the rule of law. In the economic field this should take the form of an international order offering equal opportunities to all countries, regardless of size, power or stage of development. Furthermore, such a system should be geared to creating conditions under which all countries could secure basic needs and freedoms for all their citizens. It is in the gradual realization of that kind of international order that our country could make a special con-

Q. - Do you see any future circumstances in which the Netherlands could become neutral?

A. — In its policy statement delivered on Jan. 16 of this year, the Netherlands government stated that it considered membership in the North Atlantic Treaty Organization to be of cardinal importance for insuring peace and security.

This policy has been consistently pursued by preceding governments, and the prospect of the Nether-lands as a neutral country can safe-

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# Tripartite Talks Center on Wages, Jobs and Benefits

(Continued from Page 1)

comes of up to 30,000 guilders a year in a period when inflation is likely to be between 4 percent and 4½ percent. They accept that this inflation rate is a big improvement over the past few years but say it should be further decreased to between 2 percent and 2½ percent to keep the Netherlands in line with the Federal Republic.

A start is to be made next year on implementing "Estimate "81." The central planning bureau believes that the overall position of the Dutch economy is so serious that it is unrealistic to think it can be cured in the short term. Thus, the strategy is predicated on a long haul out of the present difficulties. However, the bureau stresses that in its present form the plan cannot be regarded as a definitive blueprint for the next three years and will have to be adjusted year by

year.

Meanwhile the nation has suffered two blows. First, there is to be a deficit this year in the balance of payments of between 1 and 2 billion guilders, when the forecast had suggested there would be a yearend surplus of 500 million guilders. This is largely due to a slackening in demand for Dutch natural gas by overseas consumers.

Second, the McKinsey organization, a management consultant firm, in a report commissioned by the Ministry of Economic Affairs on how attractive the Netherlands might be for foreign investors has just published some embarrassing

The report listed three main reasons for the recent falling off of foreign investment in this country. There is a small home market (population 13.77 million), labor costs are high, and there is a climate of uncertainty about socioeconomic policies in the Netherlands.

#### **Foreign Investors**

The report was based on a survey of foreign companies here. It cannot be shrugged off because at the moment about 20 percent of the labor force is employed by foreign investors. Furthermore, foreign investments account for almost 25 percent of total Dutch industrial

The investors also complained about the high social charges they have to pay and that production has not kept pace with the high value. It is also said spling up that it was that spling up to the the subject of drastic rationalization and reorganization. This is particularly true of the chemical industry.

passed laws that give workers a greater say in the way their factoriers are run. There is also anxiety about the draft bill on workers sharing in profits made by their corporations.

ue of the guilder. In addition, they claim there is a much higher degree of absenteeism compared with other European nations. The survey showed that such attitudes were strongest among U.S. investors.

McKinsey's conclusions were

McKinsey's conclusions were not, however, all negative. There is still an interest in investing in the Netherlands — especially among the Scandinavians and, to a lesser extent, the Japanese.

But foreigners are worried about

the implications of recently passed laws that give workers a greater say in the way their factories are run. There is also anxiety about the draft bill on workers sharing in profits made by their corporations.

The worker participation law gives work councils in the companies the right to fight management

decisions on personnel. It also extends their advisory privileges to cover takeovers, investments and the hiring of new workers. (Dutch workers were already entitled under a law passed seven years ago to give their views on mergers, shutdowns and reorganization.) As in the previous law, the new law allows the work councils to meet without a member of management

#### 'Uncertain Adventure'

sitting in.

Mr. Kok and his trade union colleagues insist that the government is asking sacrifices of the labor movement in exchange for an uncertain adventure. They further claim that the government budget for 1979 will lead to more profits

and more unemployment: "The man in the street will have to pay." Moreover, they are not too impressed by "Estimate '81," which they characterize as vague and incomplete.

But while conceding that Dutch industry is in difficulties, the unions have said they wish to deal with industry on a sector-by-sector basis during the pay negotiations. As an Economic Affairs Ministry expert said, they realize some industries are doing less well than

The metal industry has traditionally been the pacesetter for others.

And Dutch shipbuilding, while doing reasonably well, has experienced the same malaise as other European shipbuilding industries, especially those of France and Ger-

many. It is the government's assessment that the trade unions are prepared to ask for less in such sectors, but how much less is not known at the moment. Even so, it is doubtful whether the union figure would be acceptable to employers in these sectors.

One possible formula for the negotiations that both employers and unions are considering is an average settlement that will give an increase equivalent to 1979's expected inflation rate, plus an additional 1.5 percent through tax and social security rebates. If this is agreed upon, it would prevent any decline in real earnings — but no more than that

But will the unions accept such a formula if, as the central planning bureau thinks, there will be a rise in unemployment? At the moment, unemployment is running at 205,000, and this the unions regard as unacceptably high. Next year's forecasts show it could rise to 215,000. The main victims of this rise will be school-leavers and, increasingly, women who are making growing demands on the job market at a time when companies need forest people.

need fewer people.

There is some irony in this be-

cause there are still a large number of job openings in the Netherlands—an average of 80,000 are permanently on offer. Such vacancies are mainly to be found in the service industry, particularly in construction, which is desperately short of traditional craftsmen.

traditional craftsmen.

Also, actual unemployment in the Netherlands is rising more rapidly than registered unemployment. This may be the explanation, say experts, why wage drift is at an historically low level—between 1 percent and 1.5 percent. But it is not clear what, if anything, the government can do in the short term to correct a labor market that has

correct a labor market that has both acute shortages and surpluses. All this is unhappy news for the Netherlands. If there is to be only a slight upturn in world trade in the coming 12 months, if wages are not held, if profits continue to be squeezed, if the guilder continues at its present strength, no one can be sanguine about the nation's medium-term economic prospects. While there is common ground between government, employers and unions, unless this consensus holds and is translated into action, the reputation of the Netherlands as a trading nation could suffer

trading nation could suffer.

# The World's Busiest Port Faces New Competition

ROTTERDAM (IHT) — If this city sneezes, it is said, the rest of the country catches a cold, and this bluff, industrious place has had its share of economic discomfort during the past few years.

It is still the busiest port in the world, and its Europoort serves an area much greater than the Netherlands alone. More than 60 percent of the 272 million tons of freight landed here have bad destinations outside the Netherlands, especially in the Federal Repubbic of Germa-

But the beady days of expansion it enjoyed during the 1960s, when Rotterdam so confidently overtook the Port of London, are now over. They were rudely interrupted by the Arab oil embargo, and many of the almost extravagant industrial facilities that sprang up here in the last decade are now the subject of drastic rationalization and reorganization. This is particularly true of

The Port Authority admits it is unlikely that Rotterdam will ever again achieve annual growth rates of 10 percent, which peaked five years ago with a record of 310 million tons. The authority is also concerned — irritated might be a better word because the port's primacy is now being seriously challenged — by the growing muscle of Antwerp as a deep-water port and some strong competition being mounted by both Brest and Le Havre, But none of these can challenge the immense geographic advantage Rotterdam has of being on the Rhine, making it, literally, the gateway to West Germany.

#### World Trade Center

A strong indication of this port's continuing confidence was the opening last summer of a World Trade Center that is already proving a success. This new center is a member of the World Trade Center that is already proving a success. This new center is a member of the World Trade Center that is already proving a success. This new center is a member of the World Trade Center that is already proving and service industry investment in the area. A high level delegation

ters Assn., beadquartered in New York. Such an establishment has long been overdue here: For the foreign businessman it gives a focus to one of the most densely industrialized areas in Europe and also to the nation as a whole, Also, as city officials indicate with pride, it steals a march on Amsterdam — no small consideration in the continuing rivalry between the two cities.

One of the motives behind the center is to encourage diversification in the Europoort complex. More than half the port's activity has to do with oil and that, officials say, is too much. Other activities need to be encouraged because, even now, most of the port's oil refineries are working on little more than 60 percent of their capacity. So the city is looking to improve its trade and distribution function in other products and to this end is touting worldwide for manufacturing and service industry investment in the area. A high level delegation

of port and city officials has just returned from Japan, for example, where they were selling the virtues of Rotterdam as an ideal European base for Japanese companies.

#### Rationalization

While there has been a falling off in some cargo handling and the ancilliary industries associated with oil imports, there has been some consolation for Rotterdamers in the growth of container traffic in recent years. Seven years ago the port dealt with 240,000 containers. The total expected for this year and also 1979 is estimated to be in excess of one million annually. Port officials seem confident that even these figures can be improved upon. Already plans are being discussed to open new container facilities, that is, a third terminal, at Maasvlakte.

Meanwhile, the rationalization of

the country's shipbuilding industry -- based on a plan that could re-

duce by 50 percent the Netherland's shipbuilding capacity — continues on its painful way. It has hit yards in Amsterdam particularly hard, but here again Rotterdam has shown some resilience through the ship repair business. In the past the Dutch have been responsible for up to one-third of European ship

repairs.

Experts believe there can be no expansion in Amsterdam of the ship repair yards. It would be better, they think, providing costs can be contained, to concentrate this business in Rotterdam, if only for the reason that many more ships pass through this port than through its rival's. In the long term, ship repair, rather than shipbuilding, seems to be a better bet for the Dutch and especially for Rotterdam. But this will not be easy because rival repairers elsewhere, such as in Portugal, have no difficulty in undercutting the Dutch.

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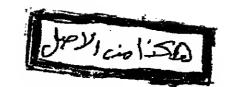
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# A Net Energy Exporter Looks to Future Oil Dependence

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EINDHOVEN (IHT) — When the Dutch electronics industry

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Philips officials complain, too,

Am widen didustries have caught.

m thegas reserves of the Groningen ild and the need to maxim ize the dvantage of what remains, it is no surprising that the Dutch have intoduced a stringent domestic marining policy — part of which is high price policy — and have put stop to any new export contracts. Smaller fields, both on and offsore, now are being exploited, ad such reserves are be-

Oil covers nearly 40 percent of the nation's energy needs, but in. the next few years this will grow to approximately 60 percent. This is quite contrary to the thrust of OECD as well as Common Market policies," an expert at the Ministry of Financial Allairs admits. "It is a far-from-ideal position.

Yet it is inevitable. The Nether-

still be commercially exploitable and there have been no significant oil finds on the Dutch continental shelf as yet. Coal imports will, therefore, also increase.

What about nuclear energy? The what about nuclear energy: whole issue of nuclear power bas become intensely politicized here, as elsewhere. The Van Agt coaltion has temporized. Sensing the public

about the nation's long-term nuclear policy. This is a matter for the next administration, it has said with visible relief. In the meantime it bas promoted public discussion about nuclear energy as a prepara-tion for decision later.

But if nn decision is to be made about the Dutch nuclear future -

products and also from Eastern bloc chemical industries. Revenues

from exports were depressed during

the first nine months of this year by the weak U.S. dollar, Akzo states.

A consequence bas been a continu-

ing reduction in the work strength

of Akzo: Since January, the payroll

has been reduced by 1,400 to fewer than 83,000 workers. "A very modest net profit" is the company's

prediction for its 1978 perform-

To help the industry the govern-ment has given it additional invest-

maneuver than it previously enjoy-

unuch less room for

coming steadily more economic as lands has no coal deposits to speak mood, it has promised there will be there can be no increase in the the overall stock of gas declines.

of — at least coal fields that could no decision during its term of office nation's nuclear capacity before 1990 because construction of such a plant can take up to nine years to complete. The present government is in favor of what it calls a "modest, careful extension of nuclear power generation" — once the problems of nuclear safety and the disposal of nuclear waste are resolved. But such a statement begs if any - until 1981 at the earliest all the questions: In such a densely populated country as the Nether-lands, the nuclear issue may be uniquely difficult for a left or right coalition to solve.

#### Conservation

For all these reasons plus the fact that the trauma of the Arah oil em-bargo has never been entirely dissipated, energy conservation is a major priority. The conservation program here has not been an unqualified success, but surveys show it has had some effect, not least in keeping alive the public awareness of energy-shortages. The fifth International Energy

Conference held this fall was precontracted with a paper itemizing Dutch conservation policy which, in addition to extractive publicity campaigns, consists of a large program for insulation that is being achieved through mandatory building codes and government subsi-dies. There is also a campaign for industrial conservation backed up by subsidies for consulting and

conservation investment.

During the dext two years the equivalent of almost \$200 million will be available from government funds to give this conservation program some bite. Furthermore, the government is preparing special tax conservation. In the last survey of its members, the international Energy Agency said the Dutch conservation program was the most suc-cessful of those that were studied.

#### Wrong Reason

"These conservation measures represent the main way in which the Netherlands can have an effective energy program," an official at the Ministry of Economic Affairs says. He points out that the conservation program is for the moment relatively successful, hut perhaps for the wrong reason. Because of the nation's economic difficulties, which are intimately bound up with similar problems throughout the though the end of this bonanza is in

Common Market member nations, energy consumption in the Nether-lands is hardly growing at all. The ideal would be to achieve a buoyant economic performance and fulfill at the same time stringent conservation standards. But the slugg-ish economy, combined with the government's high pricing policy, is undoubtedly having an impact on conservation. Also there is something in the Dutch character that responds to appeals for thrift. The government insists that these days energy is kostboar, a Dutch term meaning both precious and expensive, and this seems to bave struck

A gas storage tank in the Netherlands.

a responsive chord in the public. For the time being the Dutch energy position is not altogether unfa-vorable. After all, the nation is still

sight it will continue to keep the Dutch comfortable for a while, Some energy experts even dispute the government's estimates about how much longer the gas reserves can last. They point out that the government has been wrong in the past, having estimated there was less gas than later proved to be the case. Whether or not this is true, it is an attitude that does not seriously undermine the government's strategy for more conservation and

higher prices. Meanwhile, the Dutch are diplomatically active in promoting international energy cooperation through the IEA and also the Common Market. They are disappointed that their efforts have not had a greater response, but they will per-

-D.H.

# Chemicals Fighting Costs, Uncertainty

ROTTERLM (IHT) — The chemical industry is going through a period of retrenchment cession in Common Market councillation of retrenchment. It is not as roust as government predictions sugested 12 months

Nonetheless, tree are signs that the industry's protability will be restored this yea and there are bopes that earning in 1979 will be

pressure on selling prices. his is true to the extent that they redict profitability this year will t at a minimum. Nor is it certain to position will be much improved.

sition will be much improve in

1979. There is another caus for

concern as well: A companyuch

as Philips must keep up its reserch

and development effort if it is to encounter long-term problem

percent (in volume terms) and its

expected that they will remay

much the same this year. But this;

Sales increased last year by 7.

tional markets and also the deprecisubstantially improed.

The industry's isappointment — with Akzo losse in man-made fibers for the third yer running — activities in certain sectors.

There is a running dispute become chemicals are still under strong

nificant — and unexpected

workforce seems inevitable.

upturn, a modest reduction in the

At the same time, the company's

expenditure on property purchases has been much higher this year

than in the recent past. A lighting

plant has been established and a

new laboratory devoted to defense

work is being built in the northern

part of the country. Like other pace-setting Dutch industries, elec-

tronics seems to be poised to make

some significant progress in the

tween the government and the Chemical Industry Federation growth over the next few years. The Like other industries in this government seems to be much country, chemicals are fighting in-more sanguine than the industry creased costs, uncertainty in tradi- leaders. But there may be some tactics in this: The industry is upset ation of other currencies against about the difference in rates for the guilder. In addition, the Dutch natural gas and electricity in the are aware of over-capacity in their Netherlands which, it claims, fa-

be sold competitively, which is by

ment premiums — in particular to help its research efforts on environ-**Electronics: Looking Relatively Bright** mental controls. The industry is coming under increasing fire from environmental lobbyists, and while it has not been negligent in the past, the political climate gives the

> Many experts feel that what the Netherlands needs in order to free itself from its present economic straitjacket is to find new sources of income to replace some of the traditional ones like textiles, which are failing. The high-technology area seems to offer the best bet: The micro-electronic revolution has yet to come but cannot be long delayed. A pioneering effort in this field would be invaluable to the Dutch because so many of the nation's exports are being aimed at markets suffering a worldwide decline, such as steel and petroleum derivatives - to say nothing of

Meanwhile, Philips is continuing to market abroad some of the more established aspects of its expertise. logether with the Ericson Co., it has just secured a \$7 million order to build a telephone system in Sauthe list Philips officials complain, too, is trying to achieve what it can by dynamic sales during the next few di Arabia. Work pour rising costs and increased attrition, but unless there is a sig-years, provided such products can next year. di Arabia. Work on this will start

Restructuring

industry

The fact is that nearly 30 percent of all Dutch investment in domestic industry is in the chemical sector. The Ministry of Economic Affairs believes that even this high percentage will grow in the next two years. If this is the case, it will be difficult for the industry to claim it has no growth potential. Together with the steel and fur-

niture industries, chemical fiber manufacturers have received some \$273 million from the government for restructuring — a formidable sum, given that the Dutch economy failed to recover as much as experts had predicted a year ago. In the longer run the industry's prospects are good, despite its present diffi-

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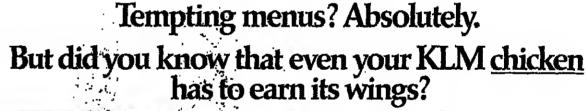
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Stock Market: Private Investors Play a Major Role

By Darrell Delamaide

MSTERDAM (IHT) - While France and Germany are taking measures to encourage greater stock-market interest among the public, private investors in the Netherlands continue to play a major role in the Dutch stock market.

In fact, says H. Bleekrode, general manager of the securities department at Amsterdam-Rotterdam Bank, this year has seen something of a comeback to equities among private investors.

"Private investors have been taking a greater interest this year since yields improved," Mr. Bleekrode commented. OECD (Organization for Economic Cooperation and Development) statistics show that in the first part of the year, dividend yields on the Dutch internanonals often topped the return on long-term government bonds. Mr. Bleekrode added that the de-

cline of the dollar encouraged Dutch, as well as German and Swiss, investors to focus greater attention on the Amsterdam market.
The investing public in the Netherlands was further encouraged by
the September announcement of the 1979 central government budg-et, which aimed to improve corporate profit margins.

"Private people are still pretty important in the Dutch market," agrees August van Oostveen, managing director of the Robeco investment company. But he notes that institutional investors, pension funds and insurance companies, which handle much of the private savings, are not very active in stock

At any rate, buying interest pro-pelled the ANP-CBS General Index our operations. Represented to a September peak of 100.8, up 16 percent from end-1977 (86.7). The October correction wiped out most of this gain in the index, but some sectors — notably banking and insurance — maintained good gains despite the October decline.

#### **Both Sectors**

Analysts are united in recommending both sectors for cootinued investment. The index of banking shares was up 14 percent through October (against end-1977), follow-ing a gain of 10.5 percent last year. Insurance shares were up 11 per-cent, following 1977's 22.8-percent gain. Mr. van Oostveen ootes that the earnings prospects for these OECD. . .statistics show that in the first part of the year, dividend yields on the Dutch internationals often topped the return on long-term government bonds.

sectors promise continued increase

in prices.

The multinationals — Royal Dutch, Unilever, Philip, Akzo and Hoogovens — have not performed so well and were off a net 1.5 percent at the end of October. Still, the group, which accounts for two-fifths of the stock market's capitalization and one-fourth to one-third of the turnover, weighs heavily in the market's overall performance. Analysts continue to view the three paying dividends — Royal Dutch, Unilever, Philips — as blue chip

Mr. Bleekrode, cautioning that

much depends on the behavior of the dollar and the New York Stock Exchange, sees a possible overall stock market gain of 10-15 percent from October levels in the short

A unique feature of the Dutch stock market is the strong position of the Robeco companies. The three funds — the Robeco and Rolinco international equity funds and the Rorento international bond fund - command total net assets of 9.3 billion guilders, according to

the latest published reports.
Unlike most mutual funds, certificates of the Robeco funds are not

offered through a selling ganiza-tion but listed and tradeon stock exchanges like ordinary stres. The only difference is that the price is not determined by supply and demand but maintained net asset value per share by Robo through issue or repurchase of sares on the

Statistics from the Amsterdam Statistics from the Amsterdam Stock Exchange showhat in October the investmer companies (practically identics with the Robeco funds) represented 7.9 billion guilders in market line or 15 percent of the market stotal value. The three funds tyether represent-The three funds t

Options Exchange a 'Euro/lop?'

AMSTERDAM (IHT) — The European Options Exchange has been disappointing in its development. EOE officials concede that the volume and quality of options trading in the first half-year have not measured up to expectations, and press commentators are begin-ning to write of "Euroflops."

But with nearly four years of planning and more than 12 million guilders invested in the venture, EOE officials and their backers in the Amsterdam Stock Exchange are hardly ready to throw in the towel. Nor are the imported American experts, despite their palpable frus-tration with the sluggish development of the market, ready to go

home just yet.

Michael Jenkins, managing director of the EOE's cleaning corporation, said the exchange is considering several measures to cope with the various hindrances options trading has met. A major difficulty has been the reluctance of investors and even marketmakers to trade options in a vacuum - that is, when there is no price development in the underlying shares. And so the exchange is mulling the possibility of breaking the trading day into several sessions. An early morning session, for instance,

might overlap with afternoon trad-ing in Hong Kong (negotiations are underway to list options in Hong Kong shares). A midday session would parallel trading in the Euro-

pean stock exchanges and an evening session would overlap with New York trading.

The exchange has several other plans afoot to bring more life into the venture. Negotiations are near completion to list the first three French classes. Two London jobbing firms have joined as members, which may help alleviate the difficulties in obtaining price informa-tioo and even stock out of London.

'Put' Options

Meanwhile, the EOE is mounting new effort to educate the investing public to options trading. Other possible stimuli are the early introduction of "put" options (an option to sell) along with the present "call" options (an option to buy) and, eventually, registration with the U.S. Securities and Exchange Commissioo to make Amsterdam options on U.S. shares fungible with their U.S. counterparts.

Exchange officials are also trying to find some weak point to breach the strong wall of German resistance to the whole idea of a second-

ary market in ctions. The German banks have been the major European holdouts.

an holdouts.

Trading s far has fallen far short of eventhe modest hopes of the Dutch dicials, let alone the considerablymore ambitious expectations of the American participants. Dail trading volume has averaged ju over 1,000 contracts a day since the EOE opening in April, far fort of the 4,000 a day the clears corporation needs to the clear corporation needs to break eve and the 6,000-7,000 the break evel and the 6,000-7,000 the exchange spected to reach by the end of the first year. Trading in the three Brish options (B.F., General Electricand ICI) has virtually ceased and volume in 12 U.S. classes as been very low, focusing on IBI and Eastman Kodak. And so 25 ween of the contracts so far so 85 recent of the contracts so far have been in the nine Dutch option, 50 percent in KLM and Phili alone.

Of consolation, notes Mr. Jenking is that the system itself, pat-tered closely on the Chicago Bod Options Exchange has functided practically flawlessly - and the should give the EOF a definite vantage in the event/secondary clons trading finally/does catch with European investors. --- D.D.

ed 27 percent of total snare turn-over in October. Rorento, the bond fund, ranked behind Royal Dutch alone in turnover, while Rolinco and Robeco ranked fifth and sinth respectively. Rorento topped the turnover list for the first half of this

ed 27 percent of total share turn-

#### Suffered

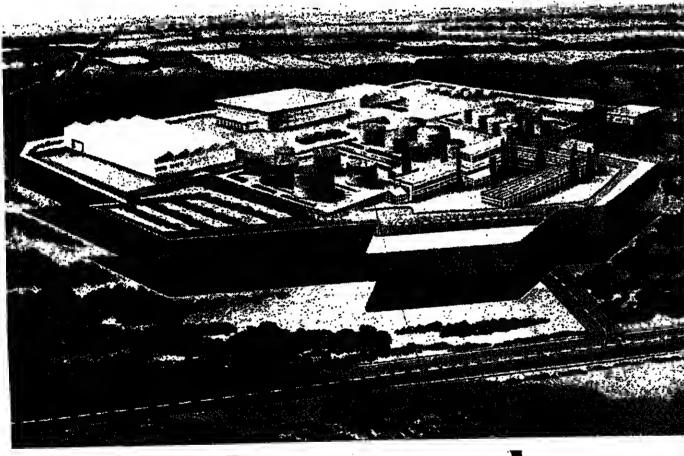
The Dutch market for fixed-in-terest securities has suffered from a combination of circumstances, Martin Hes, chief economist at Fi-erson Heldring & Pierson, ex-plained that a number of causes have led to a sharp rise in long-term rates since the beginning of

Recurrent bouts of currency unrest pushed up money market rates. Restrictions on bank lending encouraged financial institutions to tap the capital market more fre-quently because lending refinances there does not fall under the gover ment limitation. Meanwhile, more gage demand was very strong (obligations issued by mortgage banks in the first half of this year were equal to the amount for all of 1977). Finally, continued high gov-ernment borrowing (the deficit of the central government this year is likely to reach 13.6 billion guildes) strained market capacity, even though most of the government money is raised through private

Another factor was extranews, but also important, Mr. Hes added: Uncertainty about the strength of the guilder kept Swiss and German investors, normally a big source of capital for the Dutch bond market, from buying Dutch bonds.

The central bank's discount rate, cut a half point to 4 percent in April, was boosted again to 4.5 percent in July. Increased turbulence in the foreign-exchange markets led to a one-point boost in September and to another in October, bringing the discount rate to 6.5 percent. Long-term yields showed a parallel development, rising from 7.27 per-cent in April to 7.78 percent in August, and shooting up to 8.21 percent in October. Strong response to the government's 8.5-percent 15-year issue in late October indicated some stabilization in the wake of the guilder's devaluation

within the currency snake.
Still, as Mr. Hes noted, many of the constraints on the market remain - further uncertainty regard ing the guilder, continued high government deficit (16.2 billion guild) ers budgeted for next year) and strong demand from financial insti-



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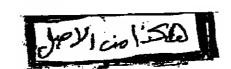
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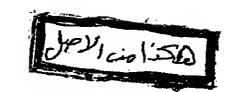


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# Role Banking: A Wide Range of Strategies for Expansion Abroad

MSTERDAM (IHT):— The Market Roters of Metherlands's leading hanks transled in the contests exprised from savings acknowledge to the market market in the lands to package to the market market

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TO CALLED TOWNER. the thing agovin.

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#### Incentive

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ake it difficult to evaluate the in-mational standing of banks, the g Three banks —ABN, Amro d Rabobank — an nearing bal-ice sheet volumes/of 70 billion tech guilders (\$350illion) and so the loosely in size with the Swiss or even the British clearing

is not evrything though, if the Swiss barks obviously have apperiority in international dealis regardless of the bottom line. 's what I cill the San Marino ation," say/R. Hazelhof, ABN iging board member in charge foreign operations, referring to

the tiny republic in Italy. "It's for enough to be the biggest bank in a country, if that country is small A hank's effectiveness internationally, Mr. Hazelhoff commues, depends on its connections and growth untside the home country.

#### A Heritage

ABN's dense network of foreign hranches and subsidiaries is largely a heritage from the Vetherlands Trading Society (NTS) a colonial banking institution founded in 1824. ABN came into existence when the NTS mergel in 1964 with De Twentsche Bank a leading pro-vincial bank. The Jank's internavincial bank. The Jank's interna-tional orientation was strengthened in 1968 with the acquisition of Hol-landsche Bank-Une (with a South American branci network) and again in 1975 though merger with Bank Mees & Hope, a merchant bank. The bank pegan geographical diversification after the First World War (into Africa and the Middle East) and has continued with its ac-East) and has continued with its ac-

ove branching folicy.

Mr. Hazelhoff remarked that a large existing hetwork practically grows of itself because a new branch plugs in immediately to an extensive radiug network. "We collect at betterning network to the trade an opening commission in the ex-porting country and negotiating commission in the importing

Moreover, handling trade financing for Datch companies brings the bank into contact with potential new customers. A U.S. company in Houston, for instance, might be happy to use the ABM facilities for trade with Saudi Arabia, since ABM-stablished its first breach in ABNestablished its first branch in Sand Arabia in 1924 and has a streng competitive edge in the country. (ABN's branches last year wre subsumed in Albank Alsaudi Ahollandi, a new corporation in vhich ABN has a 40-percent share and a management contract.)

"Our growth is evolutionary," comments Mr. Hazelhoff. "We are growing in our 'traditional areas,' Asia and the Middle East, and expanding in Western Europe and North America."

#### Branches

In the United States, for instance, ABN has branches in New York, Chicago, Los Angeles, San Francisco, Houston and Atlanta, and there are plans to open up in Pittsburgh. In August, ABN announced its intentions to acquire LaSalle National Bank of Chicago. "Illinois is a state with considerable industrial activity and fairly great export potential," said Mr. Hazelhoff, explaining ABN's interest in the Chicago bank, "This has been exploited by the big companies there, but we hope to awaken inter-est in LaSalle's medium-sized cus-tomers in finding markets abroad."

Foreign operations now account for 35-40 percent of ABN's earn-ings, Mr. Hazelhoff estimates, and international husiness altogether accounts for substantially more percent. Mr. Hazelhoff noted that the bank also has been working to increase its Euromarket business. Long active in the roll-

FAREWELLTO A FAIR

What their strategies have in common is that each institution is self-consciously capitalizing on its historical strengths. They also share the premise that international expansion is necessary not only for continued growth but to preserve their respective positions in the Netherlands.

over credit market, ABN has concentrated in the past two years on developing its placing capacity for international bonds. "We wanted to have the distribution capacity before going after more husiness, Mr. Hazelhoff said. In fact, ABN overtook Amro in the Institutional Investor's management league ta-bles for the first half of 1978, reversing last year's standing "Bnt ranking is really a matter of luck, too," conceded Mr. Hazelhoff, "It

to the market."

Amro Bank, for its part, has been working to increase its share of the syndicated loan market internationally, says K. Streekstra, who is joint general manager of the inter-national department.

depends on whose borrowers come

#### Headquarters

"It's oo longer feasible to imitate ABN with a foreign branch octwork," explains Mr. Streekstra. We're trying to improve and strengthen headquarter capacities for those regions where we cannot set up branches, while carefully selecting new hranch sites." Mr. Streekstra lists the main cri-

teria for these locations: concentration of Dutch clients, international payments traffic, significance as a financial center, underwriting and placement opportonities and growth of the country's economy. A hasic requirement, Mr. Streekstra adds, is political stability. Thus, while Nigeria fulfills Amro's main requirements, the bank has decided against putting a hranch there be-cause of the political situation. Amro established a branch in London in July of last year and another in Dubai last April. The Tokyo office will be upgraded to a branch in the first half of next year. Amro is scrutinizing some European capitals and examining as well a possible move to the Ruhr area in Germany, where many Amro clients have strong ties.

"It's very tempting to join the bandwagoo," comments Mr. Streekstra, "But we try to avoid that." He recalls that the two banks - Amsterdamsche and Rotter-damsche - which merged in 1964 to form Amro were both inward-looking institutions traditionally relying on correspondent banks for international transactions. Amro joined the European Banking Co. (EBIC) group when it was formed in the mid-60s to anticipate European cooperation. Like many of its EBIC partners, Amro was content

into existence in 1972 through the merger of the two cooperative banking associations based in to rely no this consortium and its joint ventures until the financial dislocations of 1973-74 and the growth of the Euromarket made it

#### clear that a "double strategy" — EBIC cooperation and a branch network abroad — were needed. Frequent Travel

Mr. Streekstra adds that Amro's participation in EBIC's U.S. ven-ture, European-American, com-bined with frequent travel from Amsterdam, is adequate for the bank's intentions in the United States, "A branch in New York really is too much for a small economy like ours," be comments. He notes, however, that Amro's merchant banking subsidiary, Pierson Heldring & Pierson, participates in a New York underwriting house and has several other foreign affili-

Both of these older commercial banks are watching with interest, and some surprise, the expansion of Centrale Rabobank, which came

Utrecht and Eindhoven, Rabobank is an organizatinn comprising 1.000 independent cooperative banks with a network of 3,100 branches. The organization had a combined balance sheet volume of 67.8 billion guilders at end-July, compared with 61.4 billion at end-1977 and just 15 billioo 10 years ago. Centrale Rabobank is liquidity manager for the group, administering about 30 percent of the combined assets. It also handles international payments and transactions for the group. Because of the weak position of the Dutch savings banks, Rabohank commands more than 40 percent of savings deposits. It practically monopolizes agricultural lending with a 90-percent share, but this credit activity io turn

makes up only 27 percent of its bal-ance sheet. It has a 30-percent

share of the booming mortgage

market and is banker to many

small and medium-sized industrial

"Our aim is not to become an international bank, but as a leading oational bank to provide complete international service to our customers," says G.J.M. Vlak, executive board member in Utrecht for international business.

#### Mergers

Mr. Ylak notes that the frequent mergers in the commercial hanking sector have enabled Rabobank to broaden its customer base, as many iodustrial eustomers have been forced by the concentration to seek a new second banking connection. For these new customers as well as the traditional agricultural customers, Mr. Vlak says, Rabobank has to be active internationally.

A major step in this effort was the formation last year of the Unico Banking group by Rabobank and its cooperative banking counterparts to five other European cou-

tn ecordinate the internatioanl activities of these often-potent insotudons. The same banks set up a London merchant bank, London and Continental Bankers Ltd., in 1973, as well as a Zurich banking

Rabobank took the first step in setting up its own network with the establishment this year of the obligatory Curacao subsidiary. Mr. Vlak said the group intends to decide early next year where to open up a U.S. hranch. The possibility that the bank may give Chicago preference over New York illustrates its special considerations. Tn give an example of our international requirements, let's take the example of dairy farming, a major Dutch industry," explains Mr. Vlak. "We have the cows tn produce the milk, but we have to import practically all of the cattle feed, and we export 80 percent of the dainy products."

In this light, a branch in the Mid-die East might be of limited use for Rabobank — although the group hopes to be active in export of agribusiness products and technology to this region — but a presence in the Asian dollar market, in Singapore or Hong Kong, would be

#### Expertise

Rabobank is also gradually huilding up its Euromarket expertise. The aim here, explains Mr. Vlak, is to gain an entree to countries where hank customers can hope to do a lot of husiness. Rabobank participation io recent Eurocredits to Algeria and Australia are examples of this strategy.

Further momentum is expected

Dutch Finance Minister Wim Duisenberg, who will make up a three-man presidium in the execu-tive board with current chairman P.J. Lardinois, the former European Economie Community agriculture commissinner, and Vice Chair-

man F.P.J. Bakx.
NMB, founded in 1927 as a gov ernment lending agency for sm industry (the government share has fallen in less than one-fourth), is the smallest of the major banks, but the only one oot to benefit from a merger. Nanetheless, its growth has been the most dramatic. Balance sheet volume by the end of last year reached 27.3 billion guilders, compared with 4.3 billion 10 years ago. At the half-year mark this year, as-sets topped 30 billion guilders.

A part of the Inter-Alpha group, NMB benefits from group subsidi-aries in Hong Knog and Siogapore. General Manager A. Dijksman explains that the bank gave preference to New Ynrk for its own first hranch abroad (excluding Curacao) because the market there is so big and so important to the Netherlands and Europe. The time differ ence and the distance, he adds. make U.S. business difficult to conduct from the Netherlands. The United States is important because it is drawing so many Dutch com-panies — iocluding the traditional clientele of NMB, many of whom have gotten to be quite large. Mr. Dijksman adds with a smile that, like foreign hanks coming to the Netherlands, NMB only "intends" to service its Dutch customers. "But we woo't say no to any business that comes our way," he adds.

# Specialisation ordiversification?

It really depends what you want out of life



As far as we were concerned, the decision to specialise came rather easily. After a long, hard look at the transportation industry throughout Europe, it became apparent that

although there were many manufacturers competing in the market place, too many of them were concentrating their efforts in too many directions.

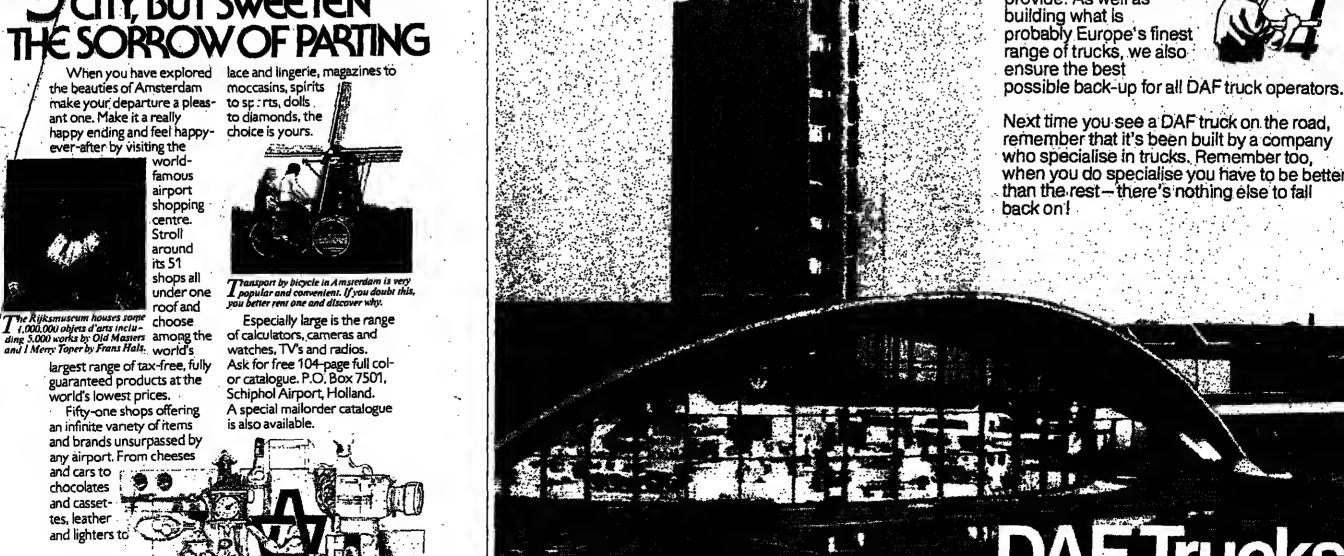
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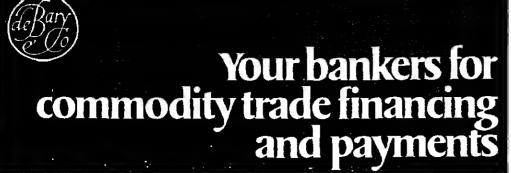
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# Van Agt: Ending Unemployment Is 'Highest Priority'

(Continued from Page 1)

Finally, increasing interest abroad in Dutch securities is a clear indication that international inves-tors subscribe equally little to the analysis implied in your question.

To conclude, therefore, it can be said that the strength of our economy is evident not only from statisti-cal comparisons with other countries hut also from the confidence placed abroad in our economic pol-

Moving on to the second problem referred to in your question, I assume that what is being alluded to here is the necessity of anticipating economic developments in the medium term, when the yield from natural gas begins to diminish. In this respect I should like to refer you to the government's policy in-

tentions as set out in the memoran-dum Bestee '81 ("Estimate '81"). The medium-term goal of this policy is to restore profitability and to limit price increases to around 2½ percent per year. For this pur-pose, the burden of taxes and social security contributions will be stabi-lized as much as possible during the next few years, and there will be only very limited scope for further growth of disposable income in real

There is no question of devaluing the guilder. In an open, indexed economy like ours this would pro-duce all the disadvantages of higher inflation, while doing little to improve our competitive position and foreign trade. As the president of the Bank of the Netherlands said recently, "There must and shall be no tampering with the guilder and thus with the inflation rate."

Q. — Do you think this nation could follow Austria's example and totally reject nuclear power?

A. - It became evident from the Austrian referendum that there is a quite considerable divergence of views in that country about whether or not it is necessary to use nuclear energy. Those opposing such a course only narrowly out-numbered those in favor. Nuclear energy is a controversial issue in the Netherlands as well, but since for the time being we still have substantial reserves of oatural gas, its rejection need oot bave any serious consequences in the short term. I might also point out that the main reason for this rejection is the lack of a satisfactory solution to the problem of storing ouclear waste.

now centered on the construction of nuclear power plants in the 1980s, so it is not really a shortterm issue; in making our decision we must take account of what our energy situation will he at the end of the century.

Q. — There is a high level of so-cial welfare in the Netherlands. What social imperatives remain to

A. - There is no such thing as a perfect system: Some suggestions have still to be complied with, such as a supplementary pension scheme for all employees (to supplement the state retirement pension), improvement of the position of married women with respect to the so-cial security regulations, and a

widowers' pension scheme.

But, as in many other Western countries, economic developments —characterized above all by a low-er growth rate than was previously the case — have greatly limited the scope for any further extension of social security. There is virtually no scope at all for new schemes, and even within the existing system priorities must be established in or-der to keep the growth of expendi-ture within reasonable limits.

However, there is one element of social security, the absence of which is keenly felt; a set of instruments aimed at controlling and restricting the increasing degree to which people are forced against their will to depend on social security. Measures are being worked out to promote re-entry into the work force and to prevent people from having to leave it. This includes measures to regulate the labor market, the encouragement of training schemes for people temporarily out of work, and preventive measures. Social security has an active role to play here as well as providing pure-ly financial assistance, and the government sees the bridging of this gap as the most important sbortterm objective.

Q. — What steps have you take to defuse Moluccan unrest in this

A. - Let me say first of all that I regard the phrase "Moluccan unrest" as an exaggeration. It is always wrong to lump together all members of a particular minority group, and it is certainly wrong in the case of the Moluccans, many of whom bave gained a position of respectability in our society. It is oone the less a fact that a considerable number of them are pursuing political ideals which the Dutch government, however much it may respect these ideals, cannot and may not help them to realize. As long as they are pursued in the right way we have of course no ob-jection — we are fortunate enough to live in a free, democratic and very tolerant society. Unfortunately a small group of militant Moluccans have tried to call attention to their cause through extremist action, and this of course is where

we have to draw the line. What is most important here is that we should identify, and if possible remove, the causes of discon-tent among the Moluccans, so that they can feel at home in our soci-ety, even if it is to be no more than a temporary home for them. We believe that this can only be done if we begin by taking the identity and

the wishes of the Moluccans seri- and a laissez-faire philosophy. You

ously.

Then we should try to establish by Parliament. These proposals are now being translated into specific policy measures and draft legisla-tion regulating among other things, the organization of Moluc-can participation in the policy to be

## Coalition Leader's Aim Is 'Joint Responsibility'

(Continued from Page 1)

an abortion and the actual operation. If it is not performed under these conditions, the abortion would be illegal.

To be Continued

The debate about abortion bas been going on between the Christian Democrats and the Socialists for no less than eight years. Yet, it seems this latest compromise legislation will not satisfy the opposition, and there is every prospect the debate will continue.

The debate is essentially empty. Some 75,000 women come to the Netherlands each year to have abortions in any of the 20 or so abortion clinics. So while the abortions continue, the politicians and the law are struggling to catch up with reality.

In these circumstances, it is strange that the issue can still ignite such passion and indignation. The fact that it does has perhaps something to do with the Dutch character. Beneath the liberal and far-seeing countenance is a stern moralist

trying to get out.
On wider issues the mixture is much the same as before. The European Economic Community is still central to Dutch foreign policy, and so, for that matter, is NATO The Den Uyl government was strongly criticized in some quarters because its attitude towards the alliance was seen to be oeglectful, affairs, but the consensus seems to and there were some sweeping re- be that for the moment, it will do.

and maintain a dialogue with them on an equal footing — at both local and national level — about their position is our society and about all the day-to-day problems of edu-cation, housing, employment, etc. to which it can give rise. At the beginning of this year the government set out its intentions in a Statement of Policy, which was well received by Parliament These proposals are pursued in their interest.

Q. - This country bas a de-

ductions in Dutch defense expendi-ture that caused anxiety in NATO

beadquarters.

The Van Agt government seems to take a different view of the alliance. It has decided to it crease the defense budget by an awage of 3 percent in real terms annually, a target that President Carer suggested all alliance member should strive to reach because of the gowing imbalance between NAT and the Warsaw Pact. the Warsaw Pact.

Since the whole alliance is compitted to the percentage increase it cannot be said that the Dutch Mfillment of this obligation represents a change of policy by the Va Agt-led coalition. What is clear it that the Dutch armed forces seem to be more comfortable with this government than with the last one. But even more unioo leaders are on record as saying more must be

spent on defense. What lies ahead? A period of tranquility — barring unforeseen calamities like another oil crisis and perhaps a time of retrenchment for all the political parties are expected. Before the last election, commentators saw a move away from the religious parties and toward a greater secular vote along right-left lines. To an extent, they were correct. Those trends were discernible in the results of the last election. Yet, the coalition is dominated by Christian Democrats and Liberals. It is an ironic state of

are against the sale of pornography and are opposed to abortion: Do you believe that the "moral pendulum" in the Netherlands is swing-ing back to more traditional val-ues? If so, why?

A. — You precede your question with the observation that I am against the sale of pornography and opposed to abortion. It would be going too far if I were to reply to these two allegations in detail. But I should like to make it clear that they are two totally different issues. As far as pornography is concerned: This is a degradation of human dignity. With respect to abortion: The law must allow for this expedient in cases of real need. However, the legislators must ensure that a decision to carry out an operation of such a special character is taken, and the operation performed with the utmost care. The law must preclude any form of commercialism. The legislators should also make it clear that law and ethics are not one and the same thing; in other words, the fact that something is not an offense in law does not imply that it is always eth-ically acceptable as well.

Is the "moral pendulum" swing-

ing back towards traditional val-ues? I have the impression that it is, but it is always very difficult for someone living in the midst of a moral development in a particular period to judge.

Q. — When, as premier, you are to be remembered, for what would you like to be remembered most during your term of office.?

A. - Should the historians of the future feel it worth their while to mention my name, I should like best to be described as a politician who always did his utmost to bridge social gaps. The slogan which my political group, the thristian Democratic Alliance, sed in the last general election was aint responsibility.

- Do you think it's true that the Vetherlands has a role but has oot et found a voice? Or is it the otherway around? Why?

A. - The Netherlands most cer-tainly ias a role to fulfill in the world, ad this is what it is trying to do. o restrict myself to one example, though I hope a very striking oe: For many years oow this county has played a leading role in the indeavour to awaken a greater undestanding of the needs of the Third World and to promote. the efforts indertaken to relieve

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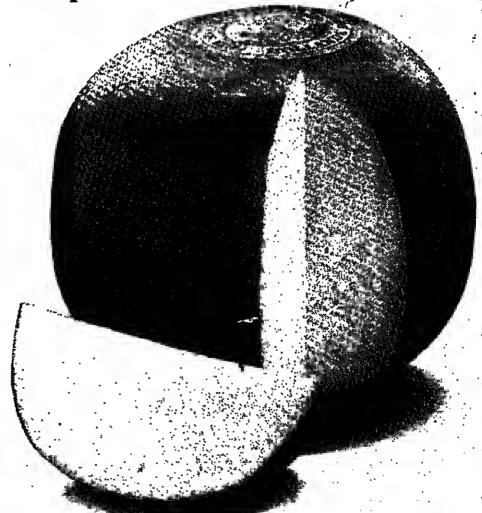
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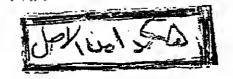
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# The Dutch Take Their Herring Seriously

that the hard countries can boast a STERDAM (IHT) - How honoring the state of the Netherlands ming fish? The Netherlands de de Province in the southwest

seriously is apparent from old sayings like "Amsterdam was built on
herring bones" and the Dutch
equivalent of "a herring a day

played a major role in introducing the important new method of curing and preserving the fish, he has
also been uncloaked as a distinkeeps the doctor away." Into every Dutch schoolchild is drummed the legend of poor fisherman Beukelszoon, the Netherlands' Al-

guished citizen of his day rather than the impoverished fisherman of popular imagination. It is likely Beukelszoon, the Netherlands' Althe of the country, reminds pilthe house in the southwest

It is here of the country, reminds pilthe house in the like in the purch delicacy consisted more
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cance. Herring fishing dates back to the 12th century, and until the 19th century the fish was a staple food and primary meat substitute for the poor. Fishmongers would advertise it with Latin verses praising the noble fish's virtues on signs hanging outside their shops.

The Netherlands' emergence as a

ing world power in the 17th century, which culminated in Amsterdam's Golden Age, can be traced back to the competitive edge given Dutch traders by the discovery of this means of improving and preserving the flavor of their herring for relatively long periods (hence Amsterdam's herringbone founda-

So highly held was the Dutch process, that some English fish markets would not even bother to

ern Europe and North America to get a big chunk when the Dutch Parliament soon votes on the budg-

"We want to draw attention to

our cultural tradition, which is even

richer than delightful items tra-velers associate Holland with, like clogs, tulips, cheese and windmills," Mr. Hage said. The Netherlands, the size of Maryland, offers some 400 museums and pri-

vate galleries, including primitives, old masters and modern art. Dutch

museums do not stand self-con-

sciously apart, but are part of the

life of the cities, authentic mirrors

Haarlem's Frans Hals Museum.

the Hague's Mauritshuis and

Delft's Prinsenhof are almost as in-

teresting for what they are as for what they show. The Netherlands'

pictorial synthesis is the Amster-

dam Rijks museum, rich with prod-ucts of the Dutch Masters.

of Piet Mondrian, can be seen in

the Hague's and Amsterdam's mu-

nicipal museums and in the Rotter-

dam Boymans Museum. The vast Vincent van Gogh collections can

be seen in the Kroeller-Muller Mu-

seum in the Veluwe National Park

and in the modern Van Gogh mu-

The Holland culture card also

seum in Amsterdam.

New trends, including the works

et for foreign income,

of Dutch culture

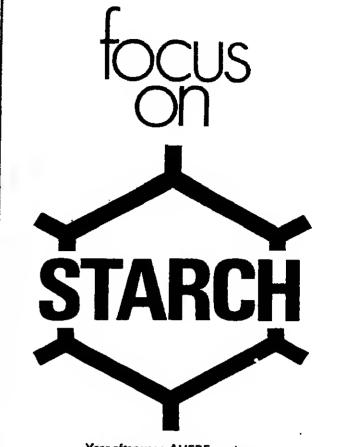
open if no Dutch traders were present on the appointed days. Much trouble also arose from Zeeland's exclusive monopoly on the secret, carefully guarded and protected hy law until 1857. Until this date, too, any fisherman who signed on a foreign ship was regarded as a traitor to his country, and he and his famiwere proscribed from eligibility for any form of welfare or poor

Altogether, some 20,000 Dutch are dependent upon the industry for their living, from the crews of the fleet to the Berkum family, residents of Amsterdam's colorful working-class Jordaan district, who have maintained a traditional herr-ing stall in front of the city's West-Church for the past 23 years. Mr. Berkum, who can recall selling his herring back in 1946 for 10 Dutch cents (about a nickel at today's rates), and who charges the standard rate of about \$1.50 nowadays, is continuing a long family

"My father rode around the streets for 55 years selling herring from a bakflets (a three-wheeled bicycle with a cart in front)," he recalls. "He had a sign on the front advertising himself as De Gezonde Apotheek (The Wholesome Pharmacy)," he adds, explaining the still-strong popular belief in the fish's health-giving benefits. "Herr-ing was very expensive in those days and he used to sell individual portions for a cent. One cent for a piece' became a well-known saying

Herring is as synonymous with the Dutch as the other traditional stereotypes of windmills and wooden shoes, although with greater accuracy. Popular misconceptions, however, have crept in. Not only are there a bewildering variety of subtle distinctions among different types of herring, hased on differing places of origin, times of year and methods of curing; but there are even regional variations in the accepted method of consuming it.

Those pictures that show the Dutch with their heads thrown back while sliding the whole fish down their throats apply only to some parts of the country, as one girl from the provinces recently learned to her chagrin while in Amsterdam, where it is eaten in portions. The Dutch do take their herring seriously.



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## Tourism: Switching From Clogs to Culture year: The "Holland Culture Card"

this the season currency in come is

make I be foreign currency income in the the one signing its promotion from clogs

inply that a decision novelty for American ing

enables American visitors to ohtain a free pass to the major museums and gives facilities for reserving seats for concerts, ballet and opera eats for concerts, ballet and opera poor exchange for the dollar.

In 1977, foreign tourists spent 2.8 billion guilders (\$1.4 billion) in the Netherlands, but Dutchmen to the poor exchange for the dollar.

with their hard guilder, are travel-ing increasingly farther and prefer

their country. Meanwhile, foreigners are being frightened off hy the dear guilders and particularly Americans are frightened by the

spent 6 billion guilders abroad, showing a 3.2 billion deficit. In-

guilder that goes further abroad than at home made the travel-minded Dutch take off for ever far-

This heavy deficit in tourist revenne has caused tourist officials to make an all-out effort to attract not only foreign investment hut also

Cors Hage, head of the National

# the interest KLM and Schiphol Move Out of the Red

chapment in STERDAM (IHT) — There indee has a loud outcry when Schiurport authorities proposed hen a process de name to include the content les tombered to be tenenienside the Netherlands and term of die any Dutch colonies around

il with him de, the wiff light officials were obliged to the compromise. Schiphol reduced by the Schiphol for the Dutch but is the same the schiphol for the rest of the political production of the schiphol for the rest of the state of the schiphol schiphol for the rest of the schiphol sch

Democratic ort authorities realize they have treated the name of the world's more famous airthe thinks with greater care. The reacand has the proposed change, howa war was a form of flattery linked """ " phol's popularity as an efficlaimed land in the Znider Zee or at Dinteloord, nearer Belgium. The enter the grain part. It also came at a thin is what he is almost of the airport is that raific is not rising at the same rate as before the oil crisis.

I make a total of 60 airlines, is find that platfairline has just reported net school are the platfairline has just reported net scho

i'World air

million guilders) — and has given 153 million guilders as the profit figure for the April-September period (146.8 million guilders for the comparable period in 1977).

The airline attributes its recovery from the bad years after the oil crisis to a trimming of staff, the introduction of more profitable wide-bodied jets and a favorable dollarguilder exchange rate for fuel costs. The airport is also moving out of the red, and officials look confi-dently to the future now that the project for a second major international airport in the Netherlands has been virtually dropped. The idea was to site it either on reclaimed land in the Zuider Zee or

lion fewer. All forecasts have been

Schiphol officials say that their present facilities can take up to 18 million passengers a year, which is extension to the airport had been launched before the oil crisis and completed in 1975, with the result that there are now 41 passengerplane stands and 20 more for cargo planes. A new terminal at Schiphol could provide the facilities for another 15 million passengers a year.

A total of 33 million passengers a year is what Schiphol planners expect at the end of the century. So there is no need for a new airport. Serious study of a second terminal will probably begin in 1980, thus allowing for a four-year build-

ing period to coincide with the mid-1980s forecasts. For now, Schiphol is concentrating on improving its services. From Dec. 20, there will be a train con-

so that airport-bound traffic does dam-Hague-Rotterdam highway. This project has encountered some environmental arguments because the new road would probably have to run close to the coastal dunes

passenger/freight 747s (the 747M version can carry 212 passengers and 55 tons of freight).

The airline had a good summer on its North Atlantic routes (serving the United States, Canada and Mexico) that account for more than 35 percent of total traffic.

for travelers from the British provinces to reach the Continent without transiting through busy Heathrow. Already KLM and other nection from Amsterdam to the airport. Airport authorities are also 20 cities in Britain. —A.T.

quarter of its financial year — the three months ending Sept. 30 (the comparable 1977 figure was 100.7 specified in 1975. In fact, there were 2.5 million passengers a year in 1967, so that airport-bound traffic does not have to use the main Amster-

the number expected in 1987. An and would also cut across farm-There is, however, less debate now over surport noise, and this is encouraging for those who want to expand Schiphol. KLM is increasing its fleet of passenger and mixed

entitles holders to visit famous churches and castles. They will be In Britain, KLM is aggressively selling Schiphol as a "natural" way able to buy first-class tickets at a low rate entitling them to travel one day throughout the country and to become guest-members of the oldest Dutch art societies, "Arti en Amicitiae" in Amsterdam and Pulchti Studio in the Hague.

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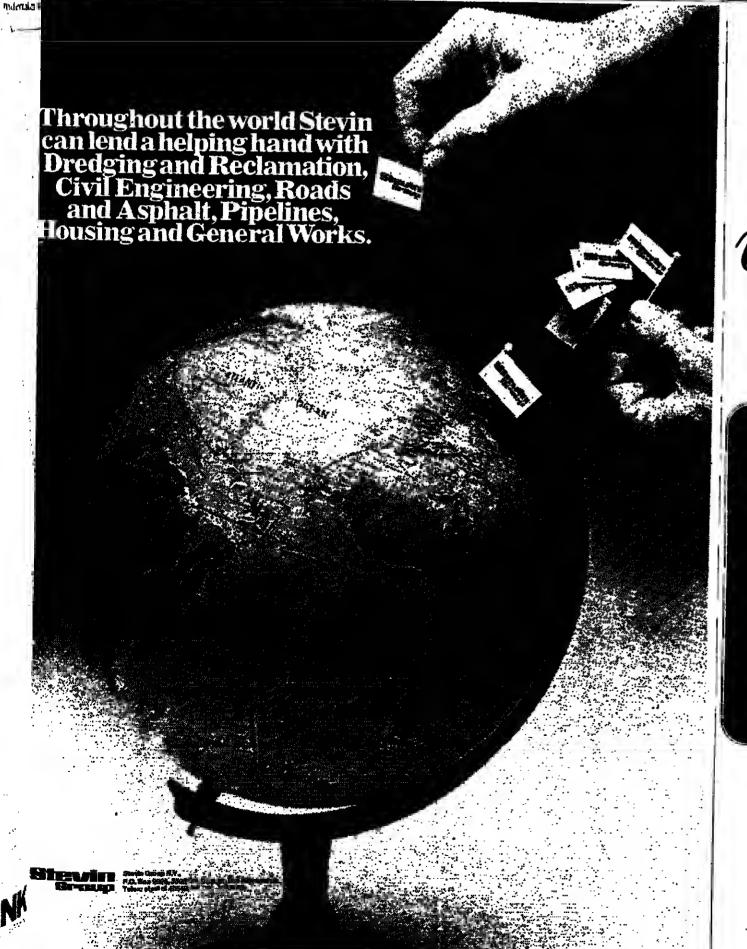


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# Is 'Beefsteak Socialism' Endangering the Welfare State?

By Arnold Lissauer

MSTERDAM (IHT) - In the early 1970s, an elderly Dutch lady sitting in a train was overheard to say. This cannot

last. . .we are having it too good!" At the time, this remark seemed to be an expression of Dutch Calvinistic guilt. Now, however, her forehoding appears to have been at least partially right.

The oil crisis and its aftermath showed that prosperity had its limits. Since then, the future of the Dutch welfare state, which is an es-

#### A long-established DUTCH COMPANY

rly engaged in wholesaling horticul-products to stores and retail outlets hout Holland, would be interested to

throughous Holland, would be interested to bear from companies requiring representation in that country.

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stake. Because of stagnation, the way in which the welfare state has mainly been financed, hy industrial profits, has come to an end.

The Dutch are slowly realizing that they will have in make a choice between increasing individual wealth and maintaining their col-lecove welfare. They have been aided in this realization by a small group of poliocal economists be-longing to the so-called Amsterdam school who strongly feel that peo-ple must be made aware that a hoice must be made.

"Opting for purely personal ad-vancement would spell the end of the welfare state such as it has developed since the war," says Hans van den Doel, a professor of economics and member of the Amsterdam school.

#### **Opinion Polls**

If the public sector is to survive, he went on, sacrifices will oecessarily have to be made - in particular. restraints on personal income.

Mr. van den Doel, whose special topic is "public choice," says that as a social scientist it is not his pre-

He points out that recent opinion polls have clearly shown that a majority of Dutch people, if given the choice, are prepared to pay for the welfare state. He adds that studies done by other economists in the United States, Latin America Western and Eastern Europe and Africa point in the same direction as do peopte's voting behavior, which is nearly always in favor of those parties that strongly support the public sector.

"This is a universal trend independent of economic systems or the prevailing ideology io any country." he says.

"The crux of the matter is that the character of the institutions en-

sential part of Dutch life and is admired the world over, has been at stake. Because of stagnation, the stake are decreased personal incomes.

choose most societies would ables the Dutch to run away from the essential choice, meaning that copt in 1974, when during the oil everybody prefers out to pay for crisis the government took over the the increasing costs of the 'comi goods,' the more so as every citizen has access to them anyway.

The only solution will be to change the structure of decisionmaking, so that the welfare state might become manageable again."
Mr. van den Doel, who explains that politically he would be consid-ered a "very" liberal Democrat in the American sense, considers that the way in which wages are currently set — by collective hargaining — does not help in making the neces-sary choice. He terms this process "beefsteak socialism." (Mr. van den Doel's most recent book is titled Beefsteak Socialism and the

The economic situation is hedeviled by the fact that traditional to pressure groups - or unions and

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wage-fixing role from the trade unions, restricting the rest of the incomes even more than wages.

"The unions are the most powerful factor in the labor market, because they virtually can fix wages. without much regard to scarcity or productivity. They are able to compensate price rises and tax iocreases in the wages hill, with a result that the public sector goods are oot paid for by the workers. The unions' position is particularly strong because as a rule the employers do not resist wage demands seriously, as they in their turn, more often than not, are able to compensate higher wages in the

The result of leaving the matter

employers' organizations — has been that things could not be put right, as their decisions seldom come up to the requirements of so-

ciety as a whole.
"Even if unions are willing to do so, they would refuse to pay for the extra costs of the 'common good' - the welfare state in its widest sense, including all the public and social services — not because they are wicked, hut because there is no coercion applying to everyone. They simply cannot be expected to

As far as the responsibility of paying for the welfare state is con-cerned, everybody will say, "After

The only way that this impasse can he resolved is by means of an incomes policy, according to Mr. van den Doel. "I am convinced that if the free bargaining system is oot

replaced by an overall incomes policy, involving the whole community, then the welfare state will dig its own grave," he says. "In our part of the world, effective incomes control can only be achieved by a general acceptance of democratic coercion. meaning, of course, parliamentary

is Mr. van den Doei optimistic about the future of Dutch society? Because of the agitation by the Amsterdam school, the Dutch people seem to be more aware of the choices that must be made than many other people.

wage bargaining still has the upper hand, because only a minority favors income controls. All parties have agreed, however,

"Despite this, the belief in free

that wage increases should only be moderate, a consensus that can be found nowhere else in the world.

In the Dutch Labor Party are even those who think in of a slight reduction of real v. and incomes. Such a course y mean opting for stabilizing pa expenditure to maintain, and extend, the public sector, "Y Dutch think that the welfare should be rescued Parlie should enable the governme, see to it that real wages as comes are established or 1 down," Mr. van den Doel cor

"If that is generally under people would no longer feet p tess to deal with the present nomic situation. They should ticularly grasp the fact it healthy welfare state is essent stimulate employment because vate industry to a large exterpends on central and local gr

# Tradition of Tolerance for Minorities Is in Question

THE HAGUE (IHT) — The Netherlands has found, as have other nations, that racial integration, oo matter how carefully rogative to make the choice. But fostered, can still create a national there are a oumber of indications that, if actually compelled to

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The Netherlands,

"About 6 percent of the popula-tion is conwhite," said a spokesman in charge of minorities at the Ministry of Culture, Recreation and Social Matters. At least half a million of the total Dutch popula-

tion of 14 million belong to ethnic minorities.

The largest group is the repatriates. Eurasians who came to the Netherlands in two waves: The first

independence of the former Dutch East Indies and the second wave came in 1954, when Eurasians in then independent Indonesia could opt for Dutch citizenship. The entire group totals about 400,000.

The repatriates have been mostly well absorbed, a fact that is often cited as exemplary. One of the rea-sons there were few ohstacles for the Eurasians to become a part of the Dutch nation is because intermarriage was encouraged in Dutch colonial times. Indonesian shops and restaurants (with the famous rice dinner, rijsttafel) have become part of the Dutch way of life. Malaysian words have crept into the Dutch language just as Yiddish expressions became part of Amsterdam slang when Baruch Spinosa and other Jews fled there from the

The second largest group is the Surinamese, Since Surinam became independent in November, 1975, this group has swollen to about 135,000, with an additional 10,000 to 20,000 Surinamese who come here illegally looking for jobs or social-security benefits.

Spanish Inquisition in the 17th cen-

The former Dutch colooy lies oo the northeast shoulder of South America between Guyana and French Guiana. Large parts of the country are unexplored jungle, and about a third of the active population is unemployed. The Dutch continue to contribute heavily to turning to a cluster of Indonesian the costs of establishing nation- spice islands that they have oever hood for Surinam.

While independence is begining to foster a national identity in Suri-oam, here the Surinamese still form separate racial groups, except among the women who organize meetings in the Netherlands to promote their common interests.

In addition, there are some 25,000 Antilleans and more are flocking in, fearing the independence of the Netherlands Antilles (Dutch West Indies). No date has been set for independence but Aruba, the island over Venezuela and the most prosperous, has been clamoring for autonomy. The Antilleans here - most of them Cre-

oles — form a separate group. Finally, there are some 5,000 Chinese from Taiwan, Hong Kong and Singapore in the Netherlands. These are the so-called "legal Chinese." The Justice Ministry Chinese." The Justice Ministry Amsterdam, a school and provin-does not know how many Chinese cial headquarters that involved a

are here illegally. Last year, a police hunt led to the explusion of some 800 members of triads, Hong Kong Chinese gangs that are considered mainly responsible for the drug traffic in this country.

The Netherlands' most turbulent ethnic group is made up of 40,000 Moluccans. Moluccan youths are reported to possess arms, eitherstolen or bought on the black mar-ket in neighboring Belgium.

The militant youths in the community have staged a growing campaign of violence since the early 1970s to back Moluccan demands for an independent homeland, They are trying to force the Dutch government to support their claim to their ancestral islands in the Indonesian archipelago, ruled by the Dutch for centuries until Indonesia became independent in 1949. Older Moluccans also support this ideal, but oot the violence used to back it.

The first of the Moluccans, people close to aboriginal stock from the former Dutch East Indies, were old soldiers from the Dutch Royal Army who came here 27 years ago, after Indonesia won independence, They cling to the old ways, isolate themselves in separate communities and claim the Dutch have never fulfilled promises to help them return one day to their homeland. The sons and daughters of the original settlers ourse the dream of re-

The Dutch have poured time, money and effort into getting the exiles to accept their life in a modern social democracy.

The Moluccans originally were settled in disused army barracks around the country. Most of them have now been resettled in up-todate housing communities where they contrive to live apart from their Dutch oeighbors.

The government subsidizes rents and social projects and often pays for furniture for those moving to new homes. Only two of sixty for-mer Moloccan encampments remain, and some Moluccans still

resist moving out.

Moluccan militant youths have been responsible for an explosion of terror, twice hijacking trains and seizing the Indonesian Consulate in

score of deaths among both tages and Moluccan terrorists. Strong Dutch army and action is considered mainly to sible for what may be a hill series of terrorist actions.

Whether this type of violer the increasing number of it traditional Dutch tolerance challenged is hard to say. Discrimination

A recent study by cults thropologists has established people from Surinam and workers" from Mediterri countries are being discrimi against "demonstrably." Fe workers and their families or about 240,000. They are n Turks and Moroccans. The Utrecht University

led by Frank Bovenkerk and lished in a book called "Onto-Anders Zijo" ("Because The harmon;"). Different"), excluded the Mol minority group because em roused by their terrorist acts past would have invalidated... study.

In particular, foreign w and Surinamese were found discriminated against in enment and housing.

The country's reputation it erance in the 1950s, after th cessful assimilation of Indone Mr. Bovernkerk claims, chang ter the arrival of oew immig Both in the police force and frade union movement, discri "Dutch policemen do not dis nate more than the average I

man," according to the study. The investigators asked I speaking Moroceans, Tom and Surinamese to apply for and housing. Afterwards Dutchmen of similar age, a ance and education were sent experiment was carried out 300 times in Amsterdam.

It produced evidence of sy atic discrimination, the inve tors found, and the discrimin was often confirmed in discu they had afterwards with comp The study has made some

they should follow the Briti ample hy setting up a race rd board.

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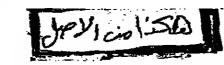
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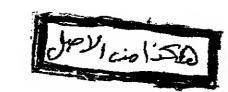
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# ate A Queen Who Knows, and Adheres to, the Rules of the Game

THE HAGUE (IHT) — Queen light to Juliana of the Netherlands will celebrate her 70th birthday on hand the will celebrate her 70th birthday on the internal section of the period of the

The stable of the stablished as a consummon-tion of the stablished astablished as a consummon-tion of the stablished as a consummonwing party, the Pacifist Socialist
wing party, the Pacifist Socialist
wingle and party (PSP), explicitly calls for a reto to the public in its program.

In this country there are some 2,000 societies that have joined the Federation of Orange Societies. They are currently preparing for the queen's birthday next spring. Each year on this occasion, they organize a long march past the roy-al family's rambling white country

house at Soestdijk. Royalists from all over the country then mingle with members of the royal family. Queen Juliana, who grew up as an only child, is the mother of four married daughters, and grandmother of ten boys and two girls between the ages of one and thirteen.

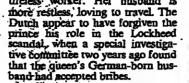
The queen succeeded her mother, Queen Wilhelmina, when the latter abdicated in 1948. Queen Juliana brought a new style to the Nether-lands' constitutional monarchy. constitutional monarchy. doing away with curtsies, protocol and pomp.

As a queen she is "highly conscientious, acutely aware of limita-tions a constitutional monarchy imposes on a modern queen," former Socialist Premier Joop den Uyl said. "She knows the rules of the game and strictly adheres to these," he said. "Whenever she is in doubt she will call in ber advisers on con-

stitutional problems," he added "Her wisdom is based on a thorough knowledge of the Dutch state of affairs and she is extremely well informed and a good listener pecially when she plays her role with the formation of a new

Queen Juliana is also strong-willed. Her husband, Prince Bernhard, knows this well. Once he told an aide, who sought to change the queen's mind on some subject: "If my wife says no, there is nothing

She has a reputation for being a



After this the prince resigned as inspector-general of the Dutch armed forces and gave up posts as head of the World Wildlife Fund and the Bilderberg consulting group, a private association of Western Jeaders whose members often were friends and business contacts of the prince contacts of the prince.

He goes shooting with friends in France and with royalty in Spain or Liechtenstein. But for any official visit, the prince must consult with the Dutch premier.



Crown Princess Beatrix.



Queen Juliana.

# Amsterdam: A City of Diamonds and Art A MSTERDAM (IHI) — In city-center showrooms and out at smaller "cash and carry"

desks at the airport, the Amsterdam diamond industry seeks to be the tourist that buying one of the precious stones need be little more complicated that pur-Strong Day Dutch flowers on sale at the airport than is counted, and elsewhere on the tourist routes. the half half. The airport message is "take a di-lic of that ... The airport message is "take a di-lic of the mond home to your wife." One hether the neek's special offer; balf a carat for interior 1, 200 guilders (about \$900).

all others are many tourists each additional but year in Amsterdam, and this kind additional but year in Amsterdam, and this kind additional but of scross-the-counter trade is good to the diamend trade and Amster-Discrete damond trade and Australian dam's reputation as a diamond central dam's reputation as a diamond central dam in. In fact, the city has lost its Entropy of the second preeminence to oeighboring to the four sections as Associate, head of the bignishes.

mact. has gest diamond house in Amsterdam, milities in hespelained: "We had 12 survivors the world War. You cannot replace will what kind of skill. Fortunately, lathe land has bor requirements are lower these like land hays. The Assober company operin that living sow with a staff of between 45 had maintained 50 persons.

#### The Famous

Steleur I rate The walls of the Asscher boardn ed by thorrisonn are lined with photos of the partial by famous who have visited the cuting and polishing workshops: the
partial Dutch royal family, the queen of
partial England, the queen of Thailand and others. More recently, the long a county vale visit.

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There is no tradition in Holland of collecting on the grand scale. Nevertheless, just about everyone has something.

It was at Asscher's that the fine arts, although much of the acworld's largest stone, the Cullinan. oow set in the crown jewels in the Tower of London, was cut and polished. "The Cullinan was like a Rembrandt," said Mr. Asscher's

Today, the firm still prefers the upper end of the market, where the Arabs are bigger buyers than Western royalty. The Arabs created the boom in rough diamonds and have also been buying polished stones in what has proved to be an astute move. Mr. Asscher commented: The year has been good the world over. The weakness of the dollar has been a great incentive to invest in diamonds." De Beers, suppliers to houses like Asscher, raised their prices 30 percent. But the increase was passed along the line and the latest diamond boom, now 18 months old, has resulted in Asscher obtaining \$19,500 to \$20,000 for a one carat, blue-white, flawless stone in New York. The customer pays 30 to 40 percent more.

tivity in the art market is directed by those British twins, Sotheby and Christie. Sotheby's has come to dominate the Amsterdam market, with its 16 sales a year, including two for Dutch Old Master drawings from the 17th century, two for wines, two special sales of highquality objects such as paintings or furniture and general sales with, for example, 4,000 lots ranging in price from 50 guilders to 50,000 guilders. The turnover is some 26,000 lots a year, or 24 to 26 million guilders. The notable special sales have been the Hans Wetzlar collection of Dutch and German 17th century art, which brought 12 million guilders for 100 paintings and the larger collection of 300 paintings — 17th century until 1920 — of de Geus van den Heuvel, which fetched 18

Sotheby's was on the point of tone in New York. The customer ays 30 to 40 percent more.

Amsterdam is still a center for Next collaborator upon receiving

million guilders.

his catalogue. The sale was can-

A painting by Jacob van Ruisda-el (1628-82), one of the greatest of the Dutch realist landscape paint-ers, was bought by a Swiss dealer for 740,000 guilders instead of the expected 200,000 guilders. Slightly higher prices have been obtained for other Dutch paintings from this

The average Dutch collector buys works in the 20,000 guilder range. Outside of paintings, there is a strong international demand for Chinese porcelain, of which there is still a great supply in the Nether-

For those in the business of selling fine arts, the question of supply is primordial. One Amsterdam dealer commented: "There is oo traditioo in Holland of collecting on the grand scale. Nevertheless, just about everyone has something. There is certainly no shortage of objects in Holland. Probably there is more here than anywhere else given the size of the country." An international auction house

specializing in Dutch pieces also has to work closely with agents in Belgium and Germany. The feeling is there are enough pieces of furni-ture as well as paintings available to keep collectors happy for a "long time," in the evaluation of one Dutch dealer. He added: "There is buge demand for furniture, but because of Dutch laws, narrow staircases and weak floors, the smaller cupboards are more expensive than the larger ones."

The Family

Whereas Prince Bernhard most often travels alone, German-born Prince Claus, husband of the heiress to the throne, Crown Princess Beatrix, 40, rarely leaves her side. They have traveled together to China, the Soviet Union and the Middle and Far East as well as Africa They appear a devoted couple, and they have three sons, Willem Alexander, 13, Johan Friso, 11, and Constantijn, 10.

Two of Juliana's daughters wed commoners: Princess Margriet married a Dutch lawyer, Pieter van Vollenhove, and has four sons. Princess Christina, who married a Cuban-born American, Jorge Guillermo, lives in New York. He is employed by Royal Dutch Airlines (KLM), They have a son.

Princess Irene married Prince Carlo Hugo of Bourbon-Parma. They have four children and live in Madrid, Both Princess Irene and Princess Christina have given up their rights to the throne - Irene because Prince Hugo is Catholic, and the Dutch Constitution stipulates that royalty must belong to the Netherlands Reformed Church.

The Dutch Parliament is now considering legislation that would specify which of the many royal offspring actually belong to the royal house and would thus be eligible to live in state-owned and state-financed palaces. At present the constitution does not define sumes her duties as a queen, she members of the royal house, apart from the queen, prince consort, the heiress to the throne and her hus-

will have to feel her way slowly in the affairs of state of this critical and stubborn oation. But she is considered quick-witted and intelli-Once Crown Princess Beatrix as- gent, and she is a good organizer.

Even though she will be confronting another generation, there is every confidence she will adapt to contemporary conditions to become a new and modern queen.

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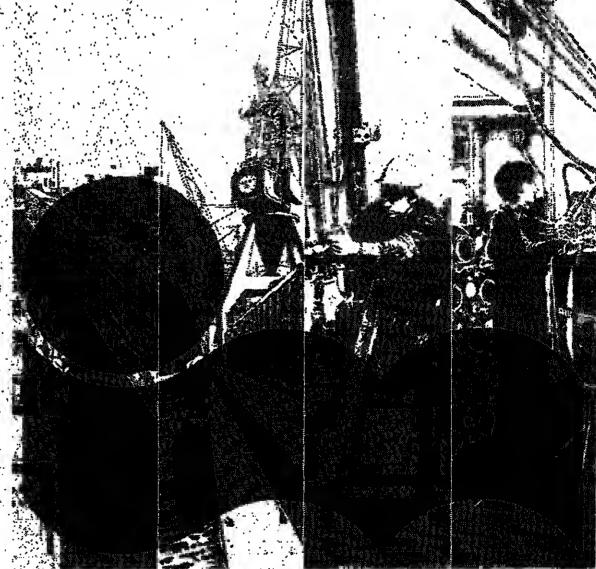
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The Organisation

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# Music and Dance Not Burdened by the Past

By David Stevens

A MSTERDAM (IHT) — In both music and dance, the Dutch have the advantage of not being lumbered by a weighty history. As a result, this intensely musical nation company actorishingly cal nation remains astonishingly open to the present and future and to outside influence, while in dance t has come from nowhere to produce three companies of worldwide reputation since the war.

The dance history of the Netherlands is almost nonexistent. In 1936, the German dancer and choreographer Yvonne Georgi formed what is considered this country's first important dance group, which even toured the United States just before the outbreak of World War IL But it was not until after the war

that these beginnings bore fruit.
The nation's largest company, the Dutch National Ballet, was formed in 1961 from the fusion of the Amsterdam Ballet and the Netherlands Ballet, the latter having been founded in 1958 by Sonia Gaskell, who was the first artisos director of the new company. Todirector of the new company. To-day it is led by a triumvirate of Dutch choreographers — Rudi van Dantzig, Hans van Manen and

Toer van Schayk.
The National Ballet, which has a company of more than 80 dancers, is a classically based troupe with a strong modern repertory. It maintains a well-kept "museum" of romantic classics along with ballets drawn from the Diaghilev era, to which new works are continually being added, mainly by its three directors. It also has frequently attracted guest stars such as Rudolf Nureyev, with whom the National Ballet made its New York debut last April. In addition to its own performances, the company supplies dancers for the Netherlands Opera. It is based in Amsterdam and subsidized by this city and the

#### **Modern Dance**

The Netherlands Dance Theater was founded in 1959 by Benjamin Harkarvy, the U.S.-born choreogra-pher, who left the Netherlands Ballet with a group of dancers (includ-ing Van Dantzig) to start a troupe oriented more toward modern



Rudolf Nureyev dances with Mea Venema in "About a Dark House."

dance. Its repertory was largely shaped during the 1960s by Van Manen (who joined the National Ballet in 1973), and its roster of works includes choreographies of John Butler. Glen Tetley, Anna Sokolow, Charles Czarny, Louis Falco and Jiri Kylian, who has been co-director since 1975. This troupe of about 30 dancers is based in The Hagne, which subsidizes it along with the state.

The Scapino Ballet was founded

The Scapino Ballet was founded in 1945 with the principal aim of performing for children. It is still going strong touring extensively throughout the world with a reper-

tory of works largely created for it. These three companies have oot only implanted dance firmly in what had seemed to be arid soil, but have made the Dutch exporters, with the works of their best choreographers, welcomed by some

of the world's leading companies.

Although few Dutch composers weigh heavily in musical history, the Netherlands has a rich tradition of music in the home - amply recorded by Rembrandt and other Dutch painters — that is reflected today in an abundance of outstanding musical ensembles and performers.

#### Concert Hall

The best-known ensemble, and one of the world's leading symphony orchestras, is Amsterdam's Concertgebouw Orchestra, named for the hall (Concertgebouw means concert hall) that has been its home since 1888 and whose acoustical properties are rightly famous. The orchestra has been led through its 90 years basically by only four chief conductors — Willem Kes. Willem Mengelberg (an early and ardent champion of Mahler). Eduard van Beinum and the incumbent, Bernard Haitink, who last season took the orchestra on its latest U.S. tour with a complete Beethoven symphony cycle.

The Rotterdam Philharmonic,

which bas a splendid modern home in De Doelen (opened in 1966), and

the Residentie Orchestra of The Hague are also well known outside the country, as is the Netherlands Chamber Orchestra. But the counmy has 11 professional symphony orchestras, not counting various Netherlands Radio ensembles, and one count something like 110 mateur orchestras.
The Netherlands Opera, reorgan-

ized several seasons ago, is a na-tional company in the sense that each production is performed in attes throughout the country and the company, instead of having its own orchestra, calls on the services of a different Dutch orchestra for each production. But the repertory is eclecule, ranging from Monteverdi to newly commissioned works, and casts tend to be a mixture of

Dutch and foreign singers. The Dutch have no langua to grind, so performances generally are in the original language, and a couple of new works by Dutch composers in recent seasons have even had English librettos — Hans Kox's The Picture of Dorian Gray" and Peter Schaat's "Houdiai" - while "Of Mice and Men" by the American composer Carlisle Floyd, first seen here in 1976, has been revived this season.

The Netherlands, and Amsterdam in particular, has been one of the headquarters for the recent worldwide boom in "early" music. Here, the historical connection is strong, for the Netherlands was in the mainstream of European music in the 15th to 17th centuries, and some of the period instruments now much in demand again never

completely fell out of use here. In 1974, a Monteverdi week in Amsterdam given by Dutch and foreign specialists drew packed houses for all performances, and the city probably has a larger pool of specialists in Renaissance and Baroque music than any comparable musical center -- such as the recorder virtuoso Frans Bruggen, or the harpsichordist-conductormusicologists Gustav Leonhardt and Alan Curus.

#### A Dutch Specialty

Organs are a Dutch specialty, dating perhaps from the compos and organist Jan Sweelinck (1562-1621), who performed in Amster-dam's Old Church (Oudekerk) and was a famous teacher. Period instruments, splendidly restored, can be heard in many churches, in Haarlem, Alkmaar, Zwolle and elsewhere. There are annual competitions for organ (in Haarlem) and carrillon (in Hilversum), and even the nonmusical tourist participates in Dutch musical life through the ubiquitous street barrel organs. Contemporary music is far from

ignored. There is a large, prolific and independent-minded body of young composers whose activities ganizations like the Gaudeanus and Donemus Foundations.

The Holland Festival, started in 1947 and taking place every lune, regularly has one of the richest prograins of all the European music and arts festivals. Typically, it is also one of the festivals most open and to the public, not only because of modest prices (the top price in 1979, will be about 25 guilders) and a number of free events, but because performances are spread through out the country and its programs range from serious to pop and the world. In 1976, for instance, the U.S. Bicentennial was the festival's

The festival's 1979 program promises a new ballet jointly choreographed by the directing triumvi-rate of the Dutch National Ballet, and a new all-Janacek dance pre-gram by the Netherlands Dance Theater, while the Concertgebouw Orchestra has a roster of conductors that ranges from Carlo Mana Giulini to Danny Kaye.

# Youth: 1960s Are Out of Date

THE HAGUE (IHT) — A quiet in order to spend it." In fact, T-revolution has taken place since the 1960s, when Dutch youth composed a turbulent and issue-oriented movement. There is less "wanting to have a say" in events, for the young people of this nation have replaced idealism with materialism.

You there is a "consumer youth" according to Ian Meijer of Mr. Meijer says.

On the other hand, according to Mr. Meijer, there is a growing inter-

ation and Social Matters (CRM). They're spending their money on clothes, instead of jeans. There is a reversion to frilly clothes and, after school, they want to make money

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Located in the heart of the biggest harbour of the world.

Now there is a "consumer On the other hand, according to youth," according to Jan Meijer of Mr. Meijer, there is a growing interthe Ministry for Culture, Recreest in religious youth movements. Youth for Christ has more than 100,000 members, and at least another 100,000 show interest. Throughout the Netherlands there are Youth for Christ coffee shops.

The evangelist radio and televi-sion, one of the pillars of the Dutch sion, one of the pillars of the Dutch broadcasting system, draws some 20,000 youngsters to its national gatherings. "Fortunately, we have no barbarian sects here, as yet," Mr. Meijer says. He adds: "I be-lieve youth is less escapist, and we have passed the climax of the drug period."

Soft drugs have been legalized under recent Dutch legislation, but still there are an estimated 8,000 hard-drug users (some 50 percent of them Surinamese).

A growing interest in higher edncation — both academic and voca-tional — has also been registered. Unemployment.

A major problem in the Netherlands is the growing number of unemployed among the young. According to recent figures, of 200,000 registered unemployed, nearly 90,000 are young people. There are also many "hidden" unemployed, such as married women who would like to work but can-

not get a job.
This country has seen a decreasing labor force: About one-third are too young to work, and about

prospects.
"In fact," Mr. Meijer say,
"many wonder why they study,
only to face a jobless future." d

number of people who have completed their studies find it hard to get a job and some are without work for years.

Under a government assistance program, jobless young people receive 800 guilders gross salary monthly. After taxes and health is surance are deducted, they are kill with 600 guilders a month, which makes for a so-called minimum

Crime among youngsters had risen by 5.8 percent since 1976-78. Indeed, Mr. Meijer confirms there is a rise in crime, soccer vandalism

and gang fights.

Middle-class youngsters are proud to dispense with martial and they live as unmarried complete. But marriage is still popular the working class because it is con

sidered a status symbol.

The number of one-parent families is growing and will be one of the topics of the Year of the Child discussions in 1979 that will be interested. by Crown Princess Beatrix. Anoth problem concerns second-gen ation members of minorities, and studies have begun on how to des

The armed forces also reflect the changes in life-style for Dutch youth. Long haired privates are an longer required to salute their superiors and can go out in civilian clothes at night.

However, as one Dutch general ays, It is internationally proven that Dutch soldiers are among the best disciplined and have a good sense of duty."

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What import dutias will I have to pay? Import duties were abolished for EEC members on 1st July, 1977. . Associate members, and some other countries, have preferential trade agreemants. VAT (Value

Added Tax) is levied on most imports.

What do the Dutch need most?

Predominantly raw materials, since the country has a shortage; finished products too, in order to support the national chemical, metallurgical, petroleum and electrical industries.

What are labour relations like? In the last few decades, there

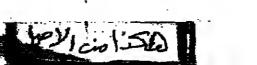
have been very few labour diaturbances and strikes, largely due to the fact that employees and employers have good means of communication which they exercise to reach satisfactory wage and conditions agreements.

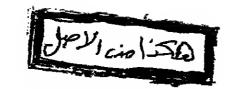
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## BUSINESS

# INTERNATIONAL

Published with The New York Times and The Washington Post

PARIS. MONDAY, DECEMBER 11, 1978

**FINANCE** 

## Euromarket-

### **Eurodollar Bond Prices Advance Despite Predictions of Downturn**

By William Ellington

bearing 9.25 percent annually to yield 9.38 percent at maturity and by Friday were trading at 98 in the aftermarket.

4 Banks Turned Down

pants had predicted that such an is-

sue couldn't be completed success-

fully unless the coupon were fixed at 9.5 perceot. Indeed, four promi-

cent banks turned down management positions because of disagree-

However, when it became known

that the issue would be successful with a 9.25-percent coupon, Euro-

bond dealers generally lifted the level of their prices so that second-ary market yields were adjusted downward in line with the terms of

The Norsk Hydro issue brought

contrast, there were 34 such

the Norsk Hydro offering.

ment with the terms.

Earlier, many market partici-

Although many market forecasters have been predicting a turndown, Eurodollar bood prices advanced last week for the fourth week in B portunity to finance themselves with medium-term, floating-rate bank loans and refinance at fixed

It is now clear that the absence of new issues has become the domirates after interest levels have fallnant factor in establishing price levels. Investors, who are still As things stand now, it looks as if the primary market is capable of leading secondary market prices up and yields lower. At least, this is what appeared to happen with a \$50 million, 15-year issue of Norsk Hydro A-S bonds last week. The bonds were offered at 99, bearing 9.25 percent annually to locked in with some sizeable losses, have refrained from selling. And they may well intend to hang on in the hope of further appreciation of

the dollar, market participants say.
In recent weeks, institutions have been buying bonds to avoid being caught with too much cash when short-term interest rates turn down. Dealers, who have been assuming that short-term interest rates will rise further, have trimmed their ioventories of bonds to the bone while establishing short positions 30 which they are now probably

ludeed, for the first time in many weeks, high-coupon, intermediate mality bonds selling at discounts were bid sharply higher. The expla-nation for this, according to market sources, is that dealers are now rying to accumulate large-enough nventories to meet what they fear night be a buying wave in the first marter of next year, when the estinated cash flow from interest and mortization payments should ex-

zeed \$3 billion. the oumber of publically offered, fixed-rate Eurodollar issues in the second half of this year to six for a combined total of \$355 million. In Conversations with members of everal of the leading issuing bouss indicate that few corporations ad oot many government agencies re willing to float issues at what ppears to be the top part of the

ppears to be the top part of the straight dollar issues in the first half for an aggregate amount of Moreover, commercial bankers \$2,22 billion. This shows that boriterest-rate cycle.

h woodcatery.

Contract Rev

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## New York Stock Market

By Vartanig G. Vartan

NEW YORK, Dec. 10 (NYT) — For the second week in a row, movements in the stock market generated more beat than light. Prices fluctuated in a narrow range and the Dow Jones industrial average illustrated the

lack of investor conviction.

The Dow linished at 811.85. This meant a net gain of only 0.35 for the week. For the latest two-week period, the Dow's total advance came to

less than 2 points. Meanwhile, bond prices moved downward and yields concurrently went higher. The Treasury sold ooe-year bills at an average discount rate of 9.32 percent, or the highest rate for these short-term instruments since August, 1974. The equivalent rate for a coupon-bearing security was a

lofty 10.17 percent. Investors kept worrying about problems ranging from civil unrest in Iran to high interest rates and troublesome inflation rates on the home

Soothing words were hard to find on Wall Street. Fairly typical was this appraisal Friday by Alan Lerner, the mooey market economist for Bankers Trust:

"Fundamental forces in the economy continue to signal higher interest rates at some point. There is no sign of any near-term easing of inflationary pressures in the economy and the track record of government programs aimed at squelching inflation is poor."

#### Reduced Trading Pace

As if that were oot enough on the worry front, stockbrokers sighed over the dwindling pace of trading on the New York Stock Exchange. Turn-over of 110.1 million shares compared with the previous week's 110.4

So what are analysts saying about the outlook for stocks? During the course of this year, A. G. Becker Inc. has taken a relatively bearish view of stock market prospects, contrasted with some other bro-kerage firms that have cranked out buy recommendations with the alacrity of fast-food restaurants producing hamburgers. As a result, Becker

(Continued on Page 9, Col. 2)

rowers will continue to avoid the market as long as there is a reason-able prospect of interest rates turn-

ing down oext year. However, a further test of whether the new issue market cancootinue to favorably influence the secondary market will come with an issue of the European Coal and Steel Community. Managed by S.G. Warburg and

Co., the \$50 million, 20-year issue

fixed-rate financing in dollars at account the high level of short-term high interest rates. And at least interest rates and the probability some observers believe that borthat interest rates will fall later on. interest rates and the probability that interest rates will fall later on. For the first five years, the coupon rate will be set at 9.75 per-

> 15 years, the coupon rate will be 9.0 Amortization arrangements bave been set so that in the final 15 years the issue will receive regular sup-port in the aftermarket from sink-

cent. Thereafter, for the remaining

ing-fund redemptions. However, in the first five years, there is no sinking fund. A spokesman for War-

# Commodities

# Fears of Oil-Price Rise Sends Gold Higher

By Suc Shellenbarger

CHICAGO, Dec. 10 (AP-DJ) -Gold futures rose last week on news of continuing inflation and fears of a hefty oil price hike that could send a healthier U.S. dollar tumbling on world money markets.
In agriculture commodity trad-

ing, soybeans were the star of otherwise directionless futures markets, rising in price on beavy domesue usage and rumors of Soviet

In metals trading gold and platinum gained on negative economic news for the first time in several weeks. As the dollar turned in a mixed performance, partly on nn-certainty about the effects of a European currency stabilization plan' to be launched Jan. I, the Novemwholesale price index was released, showing an 0.8-percent increase. Also, unrest in Iran seemed to threaten oil supplies. possibly porteoding a larger-than-expected oil price rise later this

"We're closing at the week's best levels, primarily because of the un-rest in Iran," an analyst said, "The

\$204.30. Platinum futures oo the New York Mercantile Exchange were \$14.40 an ounce higher for

finished well above midweek cash system."

helped depress the market. Also on the Board of Trade, strong demand for soybeans, a key livestock feed required in greater

As livestock are more feed to Silver prices were slightly lower for the week. Speculative selling storms, demand for soybean meal rose until higher cash prices Wedoesday and Thursday induced

farmers in sell more soybeans from Corn prices were slightly lower abundance during energy-consum-ing weather, plus market rumors as many traders anticipated heavy

## that the Soviet Union has bought deliveries against the maturing De-Healey Blames France,

LONDON, Dec. 10 (AP) - The agreed in July on the principles for LONDON, Dec. 10 (AP) — The
Britisb chancellor of the exchequer,
Denis Healey, last night blamed
West Germany and France for the
Simple obstacles that have
so far kept Britain, Italy and Ireland from joining the European
Monetary System (EMS).
Mr. Healey and other leading
Common Market ministers and officials negotiated for months to try
to agree on the scheme to Stabilize
the currencies of the inne member

The trouble was that I do not

Gold Tops \$200

Gold on New York's commodity exchange finished the week \$7.70 an ounce higher for December, topping the \$200 mark for the first time in two weeks, to close at \$204.30 Platinum futures on the less of the less prospers of the better off countries were not pre- Britain has not made a once-and-

**Bonn for EMS Disarray** 

long-term effect on the dollar could be inflationary. If we get an oil price increase of more than 10 percent because of [diminished oil production by] Iran, the [gold] market is really going to take off."

to agree on the scheme to stabilize posed the EMS, Mr. Healey said:

"The trouble was that I do not think those who launched the idea had taken account of the political enterprise in more than 20 years, fell into disarray this week with the face if they were to make the thing is really going to take off."

lew York Mercantile Exchange pared to transfer resources to the for-all decision not to join the less prosperous countries on a scale EMS, and he denied as "bunk" a which would encourage them to suggestion that the British government was keeping aloof from the nished well above midweek cash.

Mr. Healey, recalled that the distribute that it might impose the process of the for-all decision not to join the suggestion that the British government was keeping aloof from the system.

lic auction Wednesday of 470,000 more soybeans, pushed futures 6 to cember futures contract before ounces by the International Mone- 7½ cents a bushel higher. Great Lakes shipping closes Dec.

Page 7

15 for the winter.
Wheat prices were mixed as some commercial traders bought distant wheat contracts and sold nearby months. Trade talk that spring wheat was being shipped into Chicago, easing a tight supply situation there, also depressed near-

On the Chicago Mercantile Exchange, trading in live cattle and hog futures was erratic, as prices were mixed for most of the week and finished slightly lower for the December delivery.

Hog futures tended to follow trends in cattle. Also, some traders said that they e-pect hig produc-tion during the early part of oext year in increase by as little as 2 to 4

Percent.
On the New York Cotton
Exchange, cotton futures for the
week were 1.56 cents a pound higher for the March delivery as traders awaited an Agriculture Department crop report. Analysis said that traders expected a smaller 1978 crop estimate than the last report because of damaging weather in Texas and California.

On the New York Coffee and Sugar exchanges, nearby sugar fu-tures were slightly higher for the week after reaching new six-week lows early in the week. Analysts said rumors that China may be seeking sugar on world markets sparked commission house buying.

On the Camex, copper futures rose 0.35 cents a pound for the December delivery.

In other markets, coffee futures

fell on continued lower export pricing by Central American producers. Cocoa futures dropped almost 4 cents a pound for December on indications that West African and Brazilian cocoa crops may be more abundant than feared.

# gold prices, which averaged \$196.06. Mr. Healey recalled that the disciplines that would be politically an ounce at a well-subscribed pub. Common Market finance ministers unacceptable in Britain. many re still keen to lend to corpora- rowers have been able to avoid is unusually structured to take into (Continued on Page 9, Col. 1) Over-Counter Market Sales in Net 100s High Law Last Chae Sales in Net 100s Hish Law Last Chise Soles in 100s High Law Last Chige in the temperature of the manufacture of the counter to the content of the manufacture of P)-Weekly Over the Counter is high, low, and load bid prices the net change from the provision of the provis CocaMia 60 Coherent ColeCP J02e CollegeU 25 ColnBcp 1.60 ColGSEN 1.32 ColLfAC A4 ColrTile ColNBsh 1.50 174+ % 2:14+ % 114+ % 114+ % 134+ % 164+ % 164+ % 164+ % 172-34 1224+ % 134+ % 134+ % 134+ % 1224+ % 134+ % 100s High Low Lost Chips FndrFin ASe FrankEi A8 FrankLi 1,12 FreeSG 1,036 FrankLi 1,12 FreeSG 1,036 FrankLi 1,12 Friona A0 Frosts 1,036 Frosts 1,036 Frosts 1,036 FulliPit 27r FulliPit 32 FulliPit 34 FulliPit 32 FulliPit 34 25 2 7-16 234 244-1-16 151 1344 1314 1344-14 1104 2736 2646 2734-134 670 1834 17 1836-14 132 716 676 676-14 133 716 676 676-14 133 124 1216 1216-3 136 816 8 016+14 53 214 214 133 916 834 834-14 133 916 834 834-14 1307 1014 934 1014+14 131 12 12 24 416 334 414-14 25 1134 1104 1134-114 156 1134 1114-114-15 156 1134 1114-114-15 156 1136 1136 1146-14 196 1136 136 674 196 11316 136 136-14 Figure Supplies A Filled S BELING S A FILLING S A FIL | 191 | 224 | 194 | 234 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 CampitAut 20 Composition CampitAut 20 Composition CampitCom Campit Bothernia 80b Bokm Res Bononzu Booithe F Bononzu Booithe F Bononzu Booithe F Broiorn 10e Brandins BrassCri A0 Brenco 1.20 Bristen Brook F 32 Control Burnin F 32 Colletter F 32 Colletter F 33 Colletter F 34 Control F 34 Glirord 3.4 Glirord 3.4 Glirord 1.5 Glirord 1.5 Glirord 1.5 Glord 1.7 Glirord 1.5 Godfrey 1 Godfrey 1 Godfrey 1 Godfrey 2 Godsire 2.8 Gosiste 2.8 Gosiste 2.8 Gosiste 2.7 Gosiste 2.7 Gorie 1.7 Gori Resear T. 50 TREIN 1.50 TREIN 1.5 RAMADA Geneva The holel for executives

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# The Bank for All Reasons

Corporate Financing. IBJ is Japan's oldest and largest long-term credit bank. With extensive experience in meeting corporate financial requirements through arranging bond issues and offering precisely tailored loan packages.

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(Continued from Page 7)

bing said, however, that the high initial coupon rate would offset the absence of retirement purchases during the first live years.

Since the coupon rate will change after five years, the yield to maturity calculation isn't straightforward. However, Warburg said that on a discounted cash flow basis, the yield to maturity at par would work out to 9.32 percent and would rise to 9.45 percent if the price were 99.

Meanwhile, Union Bank of Switzerland (Securities) Ltd. is arranging a private placement of European Investment Bank bonds. The \$25 million, 12-year bonds will be offered to investors at 99.75 bearing 9.375 percent, to yield about 9.40 percent. A purchase fund operating in the first seven years will produce a potential average life of about 9.5 years.

(Continued from Page 7)
missed most of the spectacular
springtime rise in stocks, but when
the market later turned down—
notably during the "Oetnber
massacre"— its cantious stance
helped to save money for clients.
Lately, a consensus that has about 9.5 years.
Union Bank of Switzerland is also bringing to market a converti-ble Eurobond issue of BBC Brown Boveri and Co., Switzerland's thirdlargest industrial company.

Therefore, under this procedure, the par value of the bonds will be set at the time of the offering on December 20. However, under present market conditions it looks as if the nominal value of the bonds might be \$1,000, or the same as the standard par value, making the of-

fering equal to \$30 million.

The offering comprises 80,000
15-year bonds bearing 4.5 percent. Each bond will be convertible starting July 1, 1979. Since the Swiss

Lately, a consensus that has gained a toehold in the investment

at around 319 Swiss francs, the ap-proximate value of the equity con-probably the Eurodollar bond marproximate value of the equity con-tent is \$936. So if the par value of the bonds were fixed at \$1,000 each, investors would receive a conversion premium of about 6.8 per-

houses are still holding a pessimistic view of the market.

telex that the New York bond mar-

furn continuously analyzes the implications of such technical data as the 35-day advance-decline line, odd-int short sales and the short-

ket is making the wrong move.
"Both markets can't be right,"

Kidder Peabody said. "Experienced market observers would have Some of the Eurobond trading cause of the domestic market with its stronger infrastructure, larger iskidder Peabody International pointed out in its weekly market telex that the New York to a successful in the successful in the New York to a successful in the successful in t

ing July 1, 1979. Since the Swiss telex that the New York bond mar-capital-equipment manufacturer's ket has been deteriorating at a time monthly market letter. "Yields no market when the Eurodollar bond market dollar bonds appear to be discount-

Stock Market Shows Lack of Conviction Becker believes that although certain intermediate indicators have shown recent improvement, these harometers still fail to signal ment research for Becker, offers this appraisal:

"The intermediate indicators the support of the su

this appraisal:

(U.S. Defort)

The intermediate indicators are International institumoving toward a bullish signal tions.....

Nevertheless, further price weakness will be required to complete Industrials, medium term
the pattern and any premature rally

Canadian dollars, medithe pattern and any premature rally Canadian dollars, medi-will, accordingly, postpone this um term.

long-awaited event. At the same French franc, lung term

ing a sharp tail in short-term rates, which we believe unlikely in the im-mediate future. The probability, therefore, is that investors can expect to see higher yields within the next one to three months and can

afford to wait for them."
In its weekly Eurobond telex,
Hill Samuel and Co. said there isn't sufficient evidence that a bull market in dullar bonds is emerging and that nimble investors could well obtain short-term currency and capi-tal gains by purchasing untes de-nominated in Deutsche marks. White Weld Securities Ltd., the

trading arm of Credit Suisse-First Boston, noted that a lot of the un-certainty about the Deutsche mark sector has been removed with the disclosure that the U.S. Treasury's 3 billion mark funding operation

Eurobond Yields\*
Week Ended Dec. 6

10.31 % um term .....

MERCEDES MILESTONE — Mercedes-Benz plans to begin selling the 300TD diesel-powered station wagon in North America in March. A spokesman said that the auto, expected to cost about \$25,000, is the first of its type to be engineered and built by Mercedes-Benz. will be made in the domestic Ger-

man money market rather than in the bond market. The improved tone of the Deutsche mark sector enabled a syndicate led by Deutsche Bank to price a 100 million mark, 10-year issue of Oesterreichische Kontrollbank above par at 100.5. This

percent. In addition, Deutsche Bank is managing a 60 million mark, seven-year note issue for the Nordic Investment Bank of Helsin-

Also in the market is a 200 million mark, eight-year New Zealand government issue bearing 6.25 percent, which is being managed by ank.

nvertible sector, a syndi-Berliner Handels und Bank is nffering a 50 rk, 7.5-year convertible mron Tateisi Electronics h, among other things,

Lost Price

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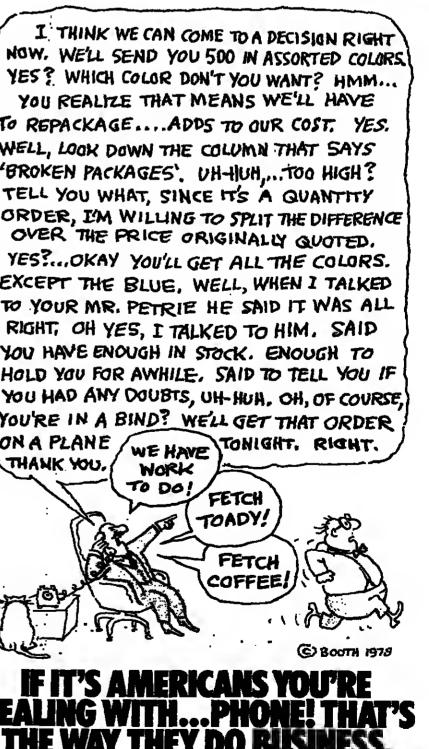
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makes miniature computers. The 3.75-percent-coupon issue will be convertible into the Tokyo-listed shares starting Feb. 1, 1979. A conversion premium of 7 to 10 percent is anticipated.

In Kuwait, a prime quality offering of City of Osln bonds received
a warm welcome. The 10 million
Kuwaiti dinar, 12-year notes were
priced at par bearing 7.625 percent
instead of the originally intended
7.75 percent. Despite the oneeighth point cut in the coupon
rates, the bonds traded in the aftermarket at 99.5-100. market at 99.5-100.

87%
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New York Stock Exchange Weekly Bond Sales    Talk   Talk	ble Eurobond issue of BBC Brown Boveri and Co., Switzerland's third- largest industrial company.  Because Swiss commercial law requires companies in issue shares before to making a convertible offering, the conversion ratio has been fixed beforehand at five Brown Boveri participation certificates (non-voting bearer shares) for each bond.  Less Less Last Lost Lost I convenient in the investment community concludes that har owning times are over for the stock market.  But the house of Becker remains unconvinced. In the firm's latest commentary, it declares: "We see fin reason to modify our previous forecast of 675 to 775 in the Dow industrial average sometime in the first half of next year."	odd-int short sales and the short-interest ratio, as well as measurements of investor psychology, extending from corporate insider activity to the ratio of call premiums to put premiums in the Chicago Board Options Exchange.  Summing up, the firm sees the likelihood of a market decline that eventually tests this year's low of the pattern and any premature rally will, accordingly, postpone this long-awaited event. At the same time, the extraordinary vulnerability of secondary stocks, as opposed to large capitalization issues, renders the primary trend outlook unattractive, even if an intermediate rally starts within the next month or two.	Industrials, medium term Canadian dollars, medium term Unit of acc., lnng term Calculated by Lucambours Market Turnover  Tatet Deliar Emericalist  Cedel 738.00 364.20 373.80 Eurocl. 1,605.2 1,283.1 322.10  Syndicate led by Deutsche Bank to price a 100 million mark, 10-year issue of Oesterreichische Kontrollbank above par 81 100.5. This brought the yield on the issue's 6.5 percent coupon down in 6.43 percent.  Currently on offer via Deutsche Bank and its associates is a 100 million mark, eight-year Brazilian government note issue bearing 7.25	ki. Also in the lion mark, eig government is cent, which is Commerzbanl In the conve cate led by E Frankfurter B million mark, issue of Omro Co., which, is
	Long   Long	New York   Stock   Excha	Inge Weekly Bond Sales    Section   Free   Section   Free	Bonds  TY7.3597BIT



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You won't wait hours-or even overnight-for an answer as you must with other means of communications. Right on the spot you

Then it's the telephone to the U.S.A.

can explore, persuade, explain-and close the sale.

HERE HE IS JUST A FEW MINUTES AFTER

MR. DITHERS WILL

DOCK ME

HE WAS BORN ...

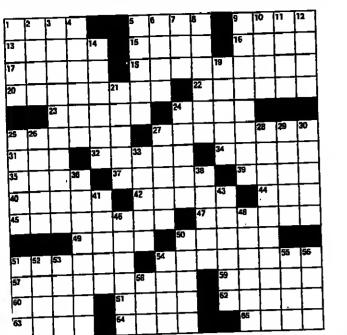
AND HERE HE IS

JUST BEFORE HE DIED

TWO FOOT MULDOON."

IF I DO GO, HE'LL

HOLLER AT ME



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- 22 First word of "A Lost Chord" 23 Aquatic plant
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- \_\_\_ Galilee 39 Jacob's brother 40 Wharton's "The
- \_\_\_ Innocence 44 Sentence ending. at times
- 45 Confident bridge bidder's call \_\_\_\_ as a bird

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accurrates begiers, income the prices at which these securities could have been sold (Net Asset Value) or bought (value plus solles charge) Friday.

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- 61 Lacking life and interest 62 Join B race 63 Rivulet City on the Arno Famed
- Renaissance family DOWN
- Parker of films Prefix for plane or marine Roller on a prairie Sahara wind
- Safeblowers 6 Yearn 7 Pop song of 1925 8 Western "good
- guys"

  9 Not to mention 10 Islet: Fr. 11 "— Are Now": May

**Mutual Funds** 

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I'M MAKING ILLUSTRATIONS

WHO IS GIVEN CREDIT FOR THE WORLD'S

ONGEST, FREE-FALL PARACHITE JUMP ?

FOR MY BOOK ABOUT

- 19 Small ducks 21 Emanations 24 Nobelist for
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BEETLE, I'M GONNA GIVE E YOU THE WORST  ${f E}$ POUNDING T YOU'VE EVER HAD!! E В L Ê

I CAN'T DECIDE

WHETHER TO GO TO

WORK TODAY





THAT'S ENOUGH!

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THE HOLLER AND )

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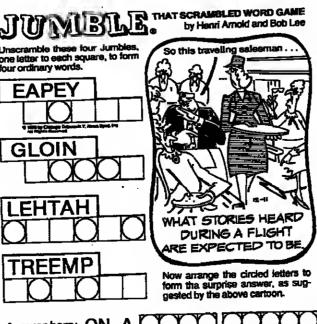












Answer here: ON A XXX Jumbles: AWASH TULLE PENCIL BEAUTY Where his wife sent him---"UP THE WALL"

Imprime par P.I.O. · I, Bd. Ney Paris 75018



DO YA MIND NOT 'SOCIATIN' WITH ME UNTIL AFTER CHRISTMAS? I DON'T WANT SANTA CLAUS TO THINK I ENEW KNOM YOU!

**BOOKS** 

THE DUEL OF THE GIANTS

China and Russia in Asia By Drew Middleton. Scribners. 241 pp. \$10.95.

Reviewed by Christopher Lehmann-Haupt

to see uself as the center of the universe. One suspects that only consideration for the feelings of his audience kept him from saying the same thing about the United States, because one starting conclusion that can be drawn from this eye-opening geopolitical study is that Americans too see reality as dimin-ishing the farther they look from ishing the farther they look from their shores. "American politicians and officials bave been so concerned with the Soviet presence in Europe," writes Middleton, "that they have failed, with few exceptions, to assess the change that has overtaken the Soviet Union's political and strategic position in Asia."

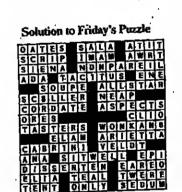
cal and strategic position in Asia." What is the nature of this change? The end result of it is that China and the Soviet Union now confront each other across the border between Manchuria and Siberia, both armed to the teeth and bristling with enmity — an enmity that has been brewing for four centuries and wholly obscures any in-terest the two might share as twin colossuses of the Communist world. "The northeast quarter of Asia is one of the world's flash points." For China, the "Sino-Soviet antagonism is the cardinal fact of political-military life today," while for the Soviet Union

today," while for the Soviet Union it is at least as significant as the challenge presented by NATO on the Western front. The security of all the rest of us, especially the United States, depends on how that antagonism is resolved.

#### Three-Week Visit

These are the conclusions that Middleton drew as the result of B three-week visit to China immediately after the death of Chairman Mao Tse-tung and the transcend-ence of Hua Kuo-feng over the Gang of Four, and for which he was invited to look at the Chinese military establishment. He did not make a comparable trip to Siberia nor does he pretend to understand the Russians even to the limited degree that he does the Chinese (a presumption of understanding the Russians being as palpably false, as Charles Bohlen has pointed out, as the belief that alcohol does not affect one).

But out of this visit and earlier forays into Russia, he has con-structed a history of Sino-Soviet relations, an analysis of the two



AN INCIDENTAL point that Drew Middleton makes in well as their respective interests of that China and Russia each tends that China and Russia each tends that China and Russia each tends hedged speculation on what the latest tends that the latest tends the latest tends the latest tends that the latest tends the late ture may hold. Considering all to obstacles Middleton faced, "The Duel of the Giants" is an impre sive performance. Except for an oc casional tendency to generalize ("The Chinese are a good-humore, people."), for which he claims the egitimate excuse that time wa short, and an intermittent droppin of the thread of logic, which come of trying to explain a huge number of contingencies in a small among of space, the book is hard-heads

or space, the book is hard-heade and expert, a welcome antidote t any solipsistic fantasies we me have about reality beginning an ending in the Western Hemisphere. That its Western front is stratega-cally pre-eminent in Russia's plan-ring is not the only IIS wise. is not the only U.S. mism ception that he attempts to come He also attacks the notion that China has achieved the status of a s. perpower ("The strongest impression I received ... was that after sion i received ... was that after quarter of a century of prodigitation of the country.") or that Chinese military strength is anywhere near that of superpower. Neither its masses ( people nor its vaunted skill at give the country.") rilla warfare will begin to comper sate for its lack of sophisticals weaponry should war with the Si viet Union occur.

#### Fierce Rivalry

Will such a war occur, in Middl ton's opinion? It isn't "imminent he believes; nor is it "inevitable" (1) S But it is most decidedly "probable - "Yes, indeed" - given the tr countries' fierce nationalism, the nearly paranoid concern for the tr ritories that lie on either side of their border, and their contention for leadership in the Community world.

And where would such a wi which Middleton clearly believe the Soviet Union would win, lea the United States? Beyond speciating bow difficult it would be sell the American people on provi-ing military support for China. does not get into specifics. Butifications short of spelling out what the world would be like if the Sould Union held unrivaled sway in ca ern Asia, he leaves one with i strong impression that he work prefer to see the thaw in Chine U.S. relations proceed apace.

Of the impact of such a war the United States, he leaves doubt whatever: "The Americ capability to control military evaluations of the capability to control military evaluations of the capability to control military evaluations." in East Asia is negligible. If breaks out between the Soviet L ion and China we would face as did in 1914 and 1939, the line questions of whose side we're and what we are to do about it. this duel of the giants begins, impact on the United States will: tremendous. History will ask questions. America will have to !

Christopher Lehmann Haupt & book reviewer for The New Yo

#### **CHESS**

By Robert Byn ==

The French-Polish grandmaster Savielly Tartakover once quipped, "Sacrifices only prove that someone has blundered," meaning that either the sacrifice is used on the sacrifice is used to the sacrification is used to the sacrification is used to th fered or the opponent's error made it possible. Often, however, sacrif-ices prove that the defender has put up so much resistance that a rou-tine prosecution of the attack would fail.

In such cases, the sacrifices rep-

resent B super, final effort neces-sary to demolish the defense. They are in no sense icing on the cake. for without them there would be no

The most beautiful example of a sacrificial mating attack in the World Chess Olympiad in Buenos Aires was produced by the Umted Aires was produced by the Officer
States champion, Lubomir
Kavalek, in his 11th-round game
with the West German grandmaster Robert Hubner.
The early tempo-gain was 4.
Q-N3; 5 N-N3 had no lasting value

since the tempo was soon recovered by 8 B-K3, Q-B2. Moreover, Ka-valek was not hindered from setting up an attacking formation with 9 P-B4, 10 Q-B3 and 11 P-N4.

B4, 10 Q-B3 and 11 P-N4.

After 14 K-N1, the exchange with 14. NxB; 15 PxN would only have stengthened the white center and N-R2 and 17. N-N4 intended to compel the exchange of the white QN, thus weakening Kavalek's grip on the center.

After 18 B-Q4, it would have been wrong to play 18. NxB; 19 NxN/4, P-K4; 20 N-N3, B-QB3 because 21 N-Q5 would have given White an unshakable hold on his White an unshakable hold on his Q5 square and the threat of 22 P-B6 could not have been countered.

B6 could not have been countered. Instead, Hubner's 18. B-QB3; 19 PxP. NxNch; 20 BxN, NxP/3 enabled him to get his king out of the center after 21 KR-B1,O-O.

After 23. N-B4, it looked as though Hubner's tenacious defense had robbed Kavalek of winning chances, and the exchange with 24 NxN! PxN nipped together the black queenside pawns, making possible threats of 25. P-B5 or 25. P-N5. However, 24 NxN! was in reality the beginning of one

was in reality the beginning of one long magnificent combination, eliminating Black's control of his



K6ch, R-B2; 29 RxBl, PxR; 30 NIch, K-B1; 31 B-N4ch, R could have led to 32 R-N8mate-On 25 QR-K1, Kaw ripped into the king position the smashing sacrifice 26 QB — the bishop could not be capitimmediately because 26. \$27 P-K5 would have finished a off at once.

off at once.

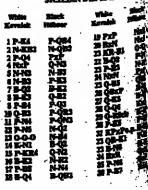
Hubner kept struggling 3
faced nonstop ferocity. Kawai
32 QR-K1! opened the QB fill
white rooks. Hubner's only
maneuver with 16 thresh
33 RxB!, a threat that could no
met by 32. B-B5 because 4
RxR, RxR; 34 P-B7! After 32
P-B5; 33 B-N6, the threat of
B7! had to be stooned by 33 B7! had to be stopped by 33

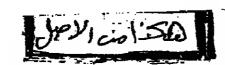
R-B2.

Kavalek made short shrift that, smashing the blockade by BxR, QxB, 35 P-N6! to set up concluding queen sacrifice with QxNP, 36 P-B7! Hubner, ing had quite enough, restaurer than play 36 QxQ, rather than play 36 BxBP.

PxRQch or 36 BxBP.

RxRch. BxR: 38 R-B8ch. SICILIAN DEPENSE





1st Team Victory Since 1972

# McEnroe Defeats Mottram To Win Davis Cup for U.S.

By Neil Amdur

By Neil Arndur

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Indian 18: RANCHO MIRAGE, Calif., Dec. 10 (AP) —

tendence After pummeling a service winner at match point, in the stands of the stands Tabert and trainer Bill Norms tusting the way, and trainer Bill Norms tusting the series, between the remained in the series of the remained in

#### U.S. Took Lead in Doubles

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It We ten he is ANCHO MIRAGE, Calif., Dec. 10 (NYT)—
the ten he is ANCHO MIRAGE, Calif., Dec. 10 (NYT)—
the the old liber was no Davis Cup tennis miracle in the desert
that he also restarday. Stan Smith and Boh Lutz, conducting his
that he also restarday is smith and Boh Lutz, conducting his
that he also restarday is usual, gave the United States a 2-1 lead over
in her of the start Cox and David Lloyd.

It was the most one-sided performance for the
of a cruin also starts in 1968, and extended their unbeaten cup
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when asked how Mottram's 4-6, 2-6, 10-8, 6-4, 6-3 triumph had affected them. "We wanted to play every

In contrast to Friday's night's 4-hour-29-minute marathon between Mottram and Gottfried, which deadlocked the series at one-all, the doubles took only 74 minutes. The Americans can regain the cup for the first time since 1972 by winning one of today's two-singles between John MeEnroe and Mottram and Gottfried receipt John MeEnroe and Mottram and Gottfried against John Lloyd.

Cox and Lloyd were a new team constructed by Paul Hutchins, the British captain, to maximize his personnel. They won the key doubles in the interzone semifinal against Australia, beating Geoff Masters and Ross Case, hut were no match for the more experience Americans.

In the first set, the British tried to win the war at the net, but were netting reflex volleys in close exchanges and were unable to handle Lutz's angled forehand cross-courts and Smith's backband slices.

The Americans ran nff 9 straight points. They broke Cox at love, Lutz held easily and then Lloyd, older brother nf John, lost the set when Lutz poached.

"When we play our best, we really move a lot," Smith said of the poaching tactics at the net and aggressiveness that characterized their play. "Tony [the American captain, Tony Trabert] was really adamant

The British changed tactics in the second set and played from the baseline while receiving serve in an played from the baseline wine receiving serve in an attempt to neutralize their opponents' power tactics. But this strategy also failed when the Americans turned to delicate drop volleys, and the 6-foot-4-inch Smith angled smashes for winners. Smith and Lutz are an interesting pair. Like Bob

Buster Mottram returns to Brian Gottfried with a strong forehand.

Dean, starting his first game as a pro because of a knee injury to Joe Pisarcik, hit Shirk in the end zone

on a rollout with nine seconds left

in the first period. The score capped a 56-yard drive and gave the Giants a 10-0 lead.

ant to gain more than 100 yards in

a game this season, bulled his way for the final TD with 7:19 left. The score was set up when Maurice Tyler recovered a fumble by former

Giant Gordon Bell on a punt, the

Cowboys 31, Eagles 13 At Philadelphia, Dallas running

backs Tony Dorsett and Scott Laidlaw each scored two touch-

downs on a run and a Roger Staubach pass to give the Cowboys a

31-13 victory over the Philadelphia

Eagles and the home field advan-

tage io the first round of the NFC

NFC East title last week, cooverted

two turnovers into touchdowns oo

Laidlaw's 1-yard run and a 16-yard

pass from Staubach to Dorsett to take a 14-0 lead 6:01 into the game

and coasted home in the secood

Browns 37, Jets 34

victory over the New York Jets.

At Cleveland, Don Cockroft booted a 22-yard field goal with 3:07 into sudden death overtime to give the Cleveland Browns a 37-34

Cleveland quarterback Brian

Sipe passed for 283 yards and New

York quarterback Matt Rohinson,

who paced a furious Jet comeback,

threw for 289 yards in the contest.

Robinson fired three touchdown

passes, including two in the fourth

SATURDAY

Lion 45, Vikings 14 At Pontisc, Mich., Gary Daniel-

son threw a Detroit record five

touchdown passes yesterday, three

to Leonard Thompson, as the Lions shocked the Minnesota Vik-

ings, 45-14.
The Lions' point total was their largest since 1967 and it was the

Steelers 35, Colts 13

division otle in 11 years.

ry over the Baltimore Colts. The Steelers raised their record

can Conference title game.

Nottingham Forest

Halts at 42 Victories

LONDON, Dec. 10 (AP) - Ter-

ry McDermott scored both goals as Liverpool defeated Nottingham

Forest, 2-0, yesterday and snapped Forest's 42-match unbeaten record

in English League soccer. Liverpool, the reigning European

champion, outplayed Forest, which

was unbeaten in the league for

more than a year. Liverpool's local

rival, Everton, kept in the cham-pionship race with a 3-1 victory

over Birmingham City and third-place West Bromwich also won,

beating Middlesbrough, 2-0.

U.S. Woman Skier

Scores First Victory

The Cowboys, who clinched the

playoffs.

quarter.

fourth fumble lost by St. Louis.

Kotar, who became the first Gi-

Hewitt and Frew McMillan, they reflect the notion that opposites attract in doubles. Both are Californians and right-handed, but the similarities end there. Smith is lanky, soft-spoken and serious, once America's Nn. 1 player but more recently bothered by arm trouble. Lniz, 31, looks like a halfback, and his flashy

forehand is an extension of his personality.

Mottram's five-set victory over Gottfried sent shivers through the American camp in more ways than the score. It was like a trip from summer to winter. The match began under a warm, blue desert sky, with Gottfried cruising comfortably, 6-4, 6-2, and 7-6, 40-30 in the third set, but it finished under an evening

chill with the 6-foot-4-inch Mottram sweeping the last three sets, 10-8, 6-4, 6-3.

By the time Gottfried lost his serve on the second match point, only about 500 spectators, most bundled under blankets, remained from the crowd of 3,553 that had watched the 19-year-old McEnroe open and close with aces and grant only five games to Lloyd.

Nastase Upsets Connor:

FRANKFURT, Dec. 10 (AP) — Hie Nastase up-set Jimmy Connors, 6-1, 6-2, last night in the semifi-

AAU Conduct Action

# Five U.S. Swimmers **Banned for 2 Years**

By James Tuite

surprisingly strong crackdown by the Amateur Athletic Union over

meets for three months for violating the new AAU code. Tracy Caulkins, whn won five gold medals in the world championships and is the United States' chief hope in the 1980 Olympics, was reportedly among the 13 involved in a

drew the more severe punishment, which begins Jan. 1. The list report-edly includes Marc Foreman, a jun-

The nthers who were reportedly involved in both curfew violation and drug usage during a training session in Colorado for a meet in Canada were Steve Tallman, a 22year-old Californian attending the University of Washington; Jan Ujevich, a 17-year-old breast-stroke specialist from Pittsburgh; Beth Harrell, 18, of North Carolina State, whose ambition is to become

NEW YORK, Dec. 10 (NYT) — a parole officer, and Gina Layton, Five outstanding U.S. swimmers an 18-year-old student from Darlane been harred from internation—ien, Conn. None of the drugs real competition for two years in a portedly used was performance

Some of the swimmers involved in the curlew violation during a meet in Austin, Texas, were said to include Joan Pennington, 18, of Nashville, who attends the University of Texas; Cynthia Woodhead, 14, a Californian who won three gold medals in last summer's world championships, and Kim Lineban, 15, of Florida who won two bronze medals at the world champion-

ships.
Michael Troy, California-based chairman of the International Swimming Division of the AAU, confirmed that 18 athletes were barred but would not disclose their identities.
"It's hard to say," he replied

when asked how the action would hurt U.S. chances in international meets. The three-month bans should have little impact because there will be few such internacional events for the next few months. If they want, the girls can take part in the one major competition — at Harvard during early January — as representatives of their clubs

"The main thing," said Troy, once a world-class swimmer, "is that the athletes know that there is such a code and that it will be enforced. All of the swimmers and their coaches were required to sign no acknowledgement of this before

"It's one thing for a 22-year-old swimmer to go off and have a bot-tle of beer," he continued, "but the AAU has a responsibility to the parents who have put their children in our care expecting them to main-tain a certain code of conduct."

Public incidents involving swimmers have been rare in this country. The most notable one involved a champagne-drinking episode that resulted in the suspension of Eleanor Holm from the 1936

# All Blacks Beat

The All Blacks defeated Scot-land, 18-9, in a pulsating match at Murrayfield, after having trailed, 0-6, in the first balf.

match all tour, a surprise defeat against Munster, and that record himg in the balance as the Scots attacked the New Zealanders vigorously and had the All Blacks hanging on grimly until the final minute

But in the final minute, with the New Zealanders holding a three-point lead in the face of sustained Scottish pressure, Billy Osborne engineered the action as the New Zealanders broke out. Osborne kicked ahead and Bruce Robertson pipped Scottish player Keith Robertson in the hattle to touch down. Bruce McKechnie converted the penalty to give the tourists a nine-point



Detroit fullback Horace King breaks tackle by Minnesota's Doug Sutherland (69), Tom Hannon, bottom, and Matt Blair. right, to take backfield pass 54 yards for first touchdown.

## Scotland After 1st-Half Deficit EDINBURGH, Dec. 10 (AP) — Graham Mourie's 1978 All Blacks

yesterday became the first New Zealand rugby union team to de-feat England, Ireland, Wales and Scotland on the same tour,

The tourists have lost just one

of a match that finished ocar dusk.

### Free-Agent Rules Freeze Rosters

## Days of Easy Dealing in Baseball Fade

· . By Joseph Durso ORLANDO, Fla., Doc. 10 (NYT) - "I've been making trades in baseball for 35 years," said Gabe Paul, the president of the Cleveland

most points given up by the Vikings this season. The loss blunted Indians and a wheeler of the front Minnesota's bid to capture its 10th rank, "and it's never been harder to make a trade. "You used to be able to horsetrade. You'd have a roster of 25 players, and all 25 were available to At Pittsburgh, Terry Bradshaw, be traded. Charlie Finley once got passing with precision on a frigid, snow-covered field, threw for three mad at Gary Alexander and traded touchdowns yesterday to lead the Pittsburgh Steelers to a 35-13 victohim to us for Joe Wallis, whom we'd picked up from the Chicago Cubs only an hour before. Charlie was life, a fickle lover: He'd love

you one day and leave you the next.

Today?" Paul reflected, focusing on a week when the economics of baseball took a historic turn, maybe you could trade balf of the 25 on your roster. The rest are frozen by legal restrictions, veto rights, no-trade clauses or just high salaries that few teams handle,"

#### Slim Selection

In the third year of the free-agent revolution, Paul and the executives of the 25 other clubs in the major leagues came to Orlando for their winter meeting last week in a trad-ing mood. As they headed home during the weekend, they left the skimpiest talent market in years and a scene dominated by Pete Rose, a free agent who signed with the team of his choice, and Rod Carew, a potential free agent who refused to be traded now.

During the same business con-vention last December, 53 players were exchanged in 22 deals. During the last six years, 322 have been moved in 119 trades at the winter gathering of the clans, and at times the total approached 10 percent of the manpower in the big leagues. But during the last week, with 1,800

WHA Results

officials jamming the sessions, only 12 trades were made and only 31 players changed sides.

Where in the name of Branch Rickey did all the horse-traders and their prizes go? What has bappened in the quarier-century since the New York Yankees and Baltimore Orioles swapped 17 players in one mass trade? Or in the one year since four clubs exchanged 11 players in one package of many parts?

To people watching the market here this week, the answer was clear: The traders are still there, hut the rules have changed radical-ly since the courts decreed in 1976 that players could become free agents at certain times in their

As a result, more than 100 players have taken their chances in the auction market, some have signed for more than \$3 million and others have accepted long-term contracts from clubs trying to cling to their stars.

So for two years, a kind of chaos churned through the rosters of the big leagues and their 1,000 players. Salaries soared, stars jumped, contracts grew complex. And be-cause players could not become free agents after six years in the big leagues, the teams rushed to protect their stars - or to trade them for something before losing them for nothing in the auction market.

But oow, rather suddenly this week, the france transicion seemed to have run its course. After two years, the revolution has reached the stage of consolidation. The Cincinnati Reds may have lost Pete Rose to the Philadelphia Phillies for \$3.2 million for four years, but they kept Tom Seaver at \$2 million for five years. A player's file has become a dossier of seniority and status rights, the team rosters have congealed in red tape and the number of men who might be freely traded has dwindled.

"When the free-agent system came in," said Harry Dalton, genmanager of the Milwaukee

Brewers and a star of previous trading markets, "we felt it would take five years to see its full effect. This is year three, and you can see the effect; it's already difficult to trade your players.
"Your key players are under

long-range contracts, and can't be traded easily. Your younger players are not so well-known to other teams, and they're now more important to you, anyway, because they can't leave yet. And your stars who are available in trades are getting paid so much that you can't move them so freely.

"For all these reasons, the talent

is finally getting locked in. Not only that, but the initiative is changing: More players are entering the auction market, so the clubs are put in the position of reacting. They either look for talent in the free-agent market, or they don't get much. You do it, or you die. The old-fashioned system of simply trading players is being crowded

#### NBA Results

Priday's Games
Phoenix 124, Baston 104
New Jersey 108, Washington 100
Houston 110, New Orleans 106
Chicago 100, Portland 99
Indiano 114, Defroil 107
Son Antonio 122, Gelden State 105
Los Anpeles 101, Millwoulkee 25
Secrite 107, Atlanta 108
Sefendar's Games
New Jerbey 25, Son Dieso 120
Chicago 101, New York 98

Housion 114, Portland 110 Kansas City 132, Detroit 106 Denver 113, Milwoukee 103 Golden Stote 94, Alkanta 84

**NHL Results** 

M.Y. Islanders 3, Toronto 2 Philodelphia 9, Baston 2 Washington 7, Vancouver 5

related. violations of its disciplinary code.

Thirteen teen-aged girls have also been barred from international curiew violation.

The AAU would not reveal the

names of the five swimmers whn ior at Tennessee, who will miss the Moscow Olympics unless the pun-ishment is revoked.

#### 4 Others Barred

24-26 Victory on Posey Field Goal

### THE LANGE THE Patriots Edge Bills in Final 8 to Clinch AFC East Title

There are the distance of the line of the

The winning kick capped a 53-ry supplied the rushing yardage to Dean threw his first NFL touch-yard drive in eight plays and asmove the ball to the Buffalo four. down pass, a 6-yarder to tight end sured the Patriots, 11-4, their first The Patriots then called on Posey, Gary Shirk, late in the first quarter, who had earlier missed a 42-yard divisional title in 15 years. Who had earlier missed a 42-yard try and he responded with the field England took over on its own 47. goal.

Giants 17, Cardinals 0

Steve Grogan hit three passes and Sam Cunningham and Horace Ivo-

and Doug Kotar rushed for 111 yards and a touchdown to help the New York Giants snap a six-game losing streak with a 17-0 victory At East Rutherford, N.J., Randy over the St. Louis Cardinals.

Muddy Course for World Cup Skiing

# Read Leads Canadians in Downhill Victory

By Samuel Abt

an deflection ...

Antonian port

By Samuel Abt

The first of the best SCHLADMING, Austria, Dec.

The proof of the school finisher in training runs last

to the school finisher in training runs

house Read finished just ahead of a leasured beaminate, Dave Murray, as the trong Canadian team also placed

Dave Irwin seventh and Steve Podin the part Decause of a continuing warm
the hold pell and subsequent deterioration
there is the course, the race was shortlike and by 600 yards to a length of 1650 yards with a drop of 715 - ards. For a time it seemed that the 1. ... ace, over a run generally consid-. . . red to be among the fastest in the

vorld, might be canceled.

Read finished in 1 minute, 32 econds and 11-hundredths of a scond, with Murray 6-hundredths f a second behind. Third, 13-bunh hitedths of a second back, was Vlaimir Makeev of the Soviet Union, rookie on the World Cup circuit pt a surprising ninth in the down-lifet the world championships last

## Austrian Places 10th

Fourth was Herbert Plank of Itay, with Peter Wirnsberger fifth, the ally Austrian in the first 10 to the said disappointment of tens of sousands who watched. Andy dill in 11th place, was the highest american finisher. Peter Luescher of Switzerland

ined tally of performances in the sant stalom and downhill races ith 1,864.91 points. The slalom went was run yesterday.

Second in the combined count . R. Ras Leonard Stock of Austria, 1 870.89, with Andreas Wenzel of

merged as the leader on the com-

st1.878.85. half Standing afterward in the finish the sections which was among the sections which was among the sections and focuse not included in the race, lead was pleased with his victory.

It was his third on the World Cup incuit, the first coming in Val Asere, France, in 1975, and the second in Chamonix, France, last

⊲обпиагу. Asked last week why he was ong so well in training — twice Read said that he had concenrated more on technical work this

ten's stent statem;
Internar Stenmork, Sweden, 3:02.24
Peter Luescher, Swifzerland, 3:04.10
Lescondo Dollvid, (saly, 3:04.27
Lescondo Dollvid, (saly, 3:04.27
Lescondo Servider, Swifzerland, 3:04.39
Peter Gross, Holly, 3:05.25
Statem Bernardi, Holy, 3:05.25
Statem Certard, Holy, 3:05.25
Statem Certard, Swifzerland, 3:06.29
Statem Hermal, Swifzerland, 3:06.29
Statem Hermal, Swifzerland, 3:05.29
Statem Hermal, Swifzerland, 3:05.29
Statem Hermal, Swifzerland, 3:07.16
Statem Hermal, Swifzerland, 3:07.16
Statem Hermal, Swifzerland, 3:07.16
Statem Hermal, Swifzerland, 3:07.16

Herbert Picink, Italy 1:3256 Peter Wirnsberger, Austria 1:3246 Gluitona Glersfini, Italy 1:3270 Paye Irwin, Canada 1:3271 Klass Liven Vilaus Happacher, Italy 1:3274 p Steve Padborski, Conada 1:3275 pk Repo Fersti, West Germany 1:3279

Addensition (Switzerland) 1.86491 siah 1 1.676.85 Carthumir Zennen (Crecinosiova Cleator Thoma (Indiv) 1,883.86 (Plera Gros (Italy) 1,883.83 (Plera Plank (Hotal 4

season. I skied the course today as I did in training," he said after the race, "bot with a couple of minor corrections for conditions. The top was grippier and the better was grippier and the bottom

The final decision to hold the race was made two bours before the start after repeated inspections of the course by officials of the World Skiing Federation and a meeting of what was frankly described as the

Warm Wind, Melting Snow As they talked, a warm wind, tho

of gravel and earth, which had been frozen until the frigid weather broke here late Friday night.

> while the snow melted, the usual downhill finish area turned into a long slasch of sickly gray on Planai Mountain. At 9 o'clock this morning, while the jury was inspecting the run, the temperature stood at 28 degrees, about 25 degrees higher than at the

As the earth softened and spread

Yet officials were determined to

start the race The seasoo is already a week late after races scheduled last weekend in Val d'Isere were canceled because of lack of snow. Both the men's and the women's schedules are being juggled daily to meet changing weather conditions. Because of the warm wind, it

rained all day yesterday in the val-ley where Schladming sits, but in the surrounding Tauem range of foehn, continued to blow from the south, rippling the many flags decorating this village in southwest south.



Ingemar Stenmark glides through second slalom run.

# Stenmark Is Fastest in the Giant Slalom to 13-2, insuring them the home-field if they make it to the Ameri-

SCHLADMING, Austria, Dec. 10 (IHT) - Ingemar Stemmark of Sweden set off after his fourth consecutive World Cup skiing championship here yesterday with a convincing victory in the giant slalom, the first rave of the season.

Afterward, he took an unmistakable dig at the circuit's new scoring rules, which many observers believe were changed to force him into the downhill. Skiing over snow softened by an overnight change in the frigid weather here. Stemmark won both runs. He was timed in a total of 3 minutes, 2 seconds and 24-hundredths of a second. Next, 1 and 86-hundredths

seconds behind was Peter Luescher of Switzerland, with an Italian prodigy, Leonardo David, third in his. first World Cup race. Jean-Luc Fournier of Switzerland was fourth and Piero Gros of Italy fifth. Among the Americans, Phil Mahre finished highest, 18th, more than seven seconds behind Steumark. Cary Adgate was 23rd, Steve

#### Mahre 44th and Andy Mill 50th. **Implied Criticism**

After the race, Stemmark spent what was for him an unusually long time answering reporters' questions in a variety of languages. When he turned to his native Swedish, he referred to the changes that award points above this village in southwest Austria. The first run to the best 10 finishers to the combined, a paper race had to be delayed an hour as crews spread snow scheduled to be tabulated four times this season, in-"Perhaps if I won today it was because of the new

rules." Swedish reporters quoted Stemmark as having told them. "You saw Phil Mahre and [Andreas] Wen-

zel and the others in the downhill training. . " He did not finish the sentence, the Swedes said, nor did

Wenzel, Mahre and Klaus Heidegger - Sienmark's major rivals in the slalom and giant slalom last season
— have indeed been practicing this week in the downhill in hopes of gaining combined points. But Wenzel
finished a lackluster 14th in the giant slalom, Mahre
was 18th and Heidegger 21st.
Stemmark contends, although he has usually spoken

through friends, that it is impossible to practice all three disciplines and win during the crowded World Cup season. There will have been 32 men's races, excluding the 4 combined events, when the tour ends

#### Wenzel's Frustration

lo corroboration of Stenmark's thesis, the unhappy enzel finished his second run by banging his pole to the ground and announcing, "I don't go well in the downhill and I don't even go well any more in the giant slalom." He finished second overall in the event ast season.

He was not alone in his troubles. Nineteen men in the field of 72 failed to finish. Those who did agreed that the course - 1.350 yards long with a vertical drop of 340 yards through 59 gates - had been diffi-cult to handle. More than 4 inches of wet snow fell during the night on the course, high in the mountains cement, a chemical bonder that resembles sand, around the gates.

The first few finishers in the opening run reported that the snow was firm and offered more of a grip than they had expected. But later finishers complained that the snow had turned soft and brought to the surface gravel that damaged their skis. -SAMUEL ABT

PIANCAVALLO, Italy, Dec. 10 (AP) — Abigail Fisher of South Conway, N.H., scored ber first World Cup victory here today, taking a women's special slalom ski The 21-year-old American

who placed second in 1:49.82.

clocked an aggregate time of 1:49.81 minutes in the two hears to finish one hundreth of a second ahead of Perrine Pelen of France,

Friday's Game Saturday Detroit & N.Y. Rongers 4

Observer

# Revenge on Texas

By Russell Baker

NEW YORK — Texans must be they would have known they are enjoying the peevish whining highly vulnerable.

with which New York has respond
\* \* \* ed to the American Airlines snateh. A band of rustlers rides right

into the heart of Manhattan, lassos itself a jim-dandy airline and hauls it off to Texas. A full herd of executives, lush enough to make mouths water all over the

accounting cham-bers at Neiman-Marcus, and Tex-

as has them.

New York's response? Tears. Empty threats. Mayor Koch cries that he has been flummoxed, as though this were oews. Of course

Baker he has. Texas knows that. So does everybody in New York. The ques-tion is, what is New York going to do about it?

Texans, being reasonable people, had undoubtedly made plans to fight off a counterattack. But there isn't any. What does New York do instead? It talks, talks about boy-cotting American Airlines. You don't even have to be a Texan to enjoy the humor in the absurdity of

New Yorkers are not boycotting people, least of all when it comes to airlines. They are market people. Value and coovenience are what they weigh when they are about to part with money, and if American Airlines supplies both, few in the Manhattan moneyed class — which is to say, the kind of people who fly — are going to ask if the airline's management is approved by City

If the mayor really means busi-ness, he should retaliate against Texas, not American Airlines. This is certainly what Texans expected. Texas did oot become Texas by sitting io the bunkhouse feeling sorry for itself when rustlers made off with the horses.

They must surely have expected that New York would saddle up and ride, as they would if the ranch were threatened. And of course

**ANNOUNCEMENTS** 

**HOW TO SUBSCRIBE** 

For starters, consider the turnbling tumbleweeds. Suppose some insidiously clever New York fashion-setter decreed that oo New York apartment could be considered chic without a batch of turnbleweeds to go with the house plants?

As the fashion spread to Con-necticut, New Jersey, California, the demand for tumbleweeds would strip Texas bare of its priceless her-

Another line of attack might be to humiliate Texas. New York could finance the establishment of genuine New York delicatessen in all major Texas cities. Exposed to authentic corned beef, pastrami, bagels and chicken soup, once-proud Texans would be compelled to admit they had grown up with-out ever knowing what eating tasted like.

Some would doubtless try to raily Texas morale with boasts about the local chili and barbecue, but the crushing hlow to Lone Star gastronomic pride that would be deliv-ered by New York delicatessen would doubtless leave most Texans walking shorter before yoo could say, "Pickles on the side and a glass of water in a clean glass."

And if it comes to war, New York has formidable weapons that few Texans will wish to face. We might begin by giving the New York Giants professional football team to San Antonin to break the Texans' morale.

Afterward, loading every car in the New York subway system with the people who stand on Eighth Avenue at 42d Street, and heading them all down the rails toward Texas, we could easily compel an un-conditional surrender before the in-vasion force reached Richmond.

In victory we must be magnanimous. Texas can keep American Airlines. New York will take the Dallas Cowhoys.

# Versailles: Repairing the Bomb Damage

By Aline Mosby

TERSAILLES, France (UPI) V — On the night of June 26
a bomb went off in the home of
Mr. and Mrs. Gerald Van der
Kemp. Since the house is huge they were unaware of the blast until police awakened them.

Their house is the Palace of Versailles, one of the wonders of the world. Van der Kemp is curator of the 17th-century French palace that took 36,000 workers 50 years to build.

Breton nationalists claimed responsibility, and two were sentenced to 15 years in jail for the bombing. It ripped holes in par-quet floors, reduced period fur-niture to splinters and demol-ished valuable paintings in the Napoleonic galleries.

Five months later, sitting calmly in his apartment in one wing of the chateau some min-utes' walk from the site, the French curator disclosed that renovation of the should be finished in two years, paid half by contributions from the French people and half by the government.

I had worked on those rooms a long time and they were in per-fect condition before the bomb," says Van der Kemp, who is des-cended from an old New York Dutch family on his father's

side. They were destroyed."
"We have raised almost \$400,000 and we need ahout double that. We received contributions in 10 and 20-franc ootes from all over France after we had a 'Save Versailles' appeal" on radio and televisioo and in the schools.

"I did not ask for money from abroad," he adds. "This was a French bombing, a French affair, the French should pay for

Damaged draperies and wall coverings are being remade, fur-niture repaired or reproduced, floors and walls rebuilt. Restorers are working on a gi-

gantic painting, higger than the floor of Van der Kemp's living room, that was blown to bits. All the pieces, from the size of a hand to that of a fingernail, were

'I did not ask for money from abroad. This was a French bombing, a French affair, the French should pay for it.

recovered and assembled like a puzzle. They are being re-glued on canvas, a two-year project.

The restored rooms will re-open in 1980—the year Van der Kemp plans to unveil 22 ehande-liers given by a wealthy French family to the famed Hall of Mirrors and another suite of rooms heing decorated thanks to another French donor. That will be Van der Kemp's final gesture beacres of roofs fore his retirement after 10 years as assistant curator and 25 years as chief curator.

15 Books

Another achievement was publication last spring of the grandest of the 15 books Van der Kemp has written oo the chateau built by Louis XIV, its gardens and two adjunct chateaus. Le Petit Trianon and Le Grand Trianon.

Chateau of

Versailles," has been translated into English and was published in November in Britain, the United States and Japan.

Van der Kemp and his American wife live in what at the time of Louis XVI and Queen Marie Antoinette was the royal army officers' mess in the southeast corner of the courtyard in front of the gigantic palace with its 33

Their 21-room apartment has three small salons, a dining room and bedrooms furnished with the couple's English and French antiques, fine jade and porcelain objects collected by Mrs. Van der Kemp's father, the late Frederick Harris, who was a rear admiral in the U.S. navy and benefactor of the Metropolitan Museum of Art.

Mrs. Van der Kemp, tall, willowy and elegant in a green Chanel suit, says she takes life in



The Van der Kamps at home in the Palace of Versailles.

the palace with ease, even though some tourists wander into their apartment, thinking it is part of the chateau open to the public. "One day f came home and found a group of tourists in

my living room."

The floors of the apartment, burned by revolutionary soldiers in the 18th century, were repaired with leftovers from the main part of the chateau when those were replaced because of wear and tear by millions of tourists.
The Van der Kemps added

sumptuous cloth covering to the walls and display statuary found in the chateau basement under layers of coal.

#### **Bathrooms**

"I also will leave behind a lot of bathrooms when we move to a Paris apartment in 1980," she says. "I installed seven. Also interphones. I run this house on interphones that go even to the attic, garage and two kitchens. But they did not allow me to put in an element." in an elevator."

Mrs. Van der Kemp, a former columnist for the Washingtoo Star, is President of the Versailles Foundation in the United States. John D. Rockefeller started the U.S. custom of cootributing to the chateau after World War I, partly because Benjamin Franklin had come to Versailles to seek help for the American Revolution.

"Americans have given a lot, but the French really give plenty to Versailles," Mrs. Van der Kemp says. "Nobody just talks about it, and they get no tax deductions, either."

Mrs. Van der Kemp also keeps busy entertaining honored visitors and donors at the chateau. On one living room table are au-tographed photos of some of her visitors: Queen Elizabeth of Britain, the late President John F. Kennedy and the Duke and Duchess of Windsor, among others.

"For a girl born in the Brook-lyn Navy Yard it's been a long way up the ladder and I made it to the top," she says.

#### Rock Group Boney M PEOPLE: Performs in Moscow

Members of a Macon, Ga The most daring rock group ever to perform on a Soviet stage is homosexual rights group gathers in a city park for an orange like breakfast to protest singer Aris.

Bryant's scheduled appearance at a concert in Macon. Miss Bryant was being met with cautious smiles by Soviet officials in a sign of growing acceptance here of Western popmusic. The opening nights last weekend of a 10-concert stand by scheduled to perform at the sacred. music, sponsored by the Macon Lions Clubs. Johnny Fambro, a spokesman for the Macon Society of Individual Rights, said the group has nothing against grange juice but is opposed to Missiphical Rights against campaign against campaign against page 1877. the hard-driving West Indian pop group Boney M were the biggest sellout on the Soviet stage this season, and the official press is giving the band a warm welcome. Male singer Bobby Farrell in a black jump suit and grey cape, and the Bryant's campaign against homos sexual rights. We think it's first that she can work and sing about orange juice but we do not want group's three women in white gowns and feathered headdresses presented a show of bump-andher to say anything about the game and other minority people while she's singing." Fambro said. griod and sexually suggestive antics unlike anything seen or heard here before. But the opening-night audience at the 3,000-seat Rossia Auditorium was made up mostly of middle-aged officials from the govern-Faced with a shortage of cosme ics to government stores, Soviet ment and the Communist Party, with only about 100 tickets offered to the public. Group members were nonplussed by their quiet recep-tion, calling it "reserved." As the

women are turning to black-marks substitutes made from chalk, lumi ture lacquer and shoe polish in make themselves beautiful. In country where, not long and country where, not long and cosmetics were a rarity reserved for the Bolshoi Theater crown, under kerchiefed women at the village pump or girls on Moscow's snow shoveling crews are often round and perfumed as if for an eventual country to the town. One of the first reserved. on the town. One of the first to is spond to the situation, the loss spond to the satuation, the near newspaper Moskovskaya Pranti reports, was a plumber named with Shevisov, who "saw that another opportunity like this wouldn't come soon," and who is now on trial for proliteering. The newspaper quoted trial testimony as showing that Shevtsov had little trouble io manufacturing his cosmetics, which he sold for three times the government price. "If you grind up different colors of children's chalk, they will do fine for eyeshadow. You can easily prepare a modish nail polish from furniture lacquer, adding in some metal filings for sparkle." said. "Mascara can be made from hlack ink, shoe polish and other simple ingredients:"

. \* \* \* President Carter and his wife Rosalyan, were on the guest list for yesterday's world premiere benefit of the movie "Superman" at the Kennedy Center. The movie will be released Friday. Proceeds from the special Washington screening wil go to the Special Olympics,
—SAMUEL JUSTIC

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land Medical Center, forcing can-

cellation of scheduled holiday ap-pearances and a televised celebra-

tion of his 84th birthday. Hospital

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